

## LABOR TURNOVER STATISTICS

### Fourth 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.

A total of 735 enterprises based in Metro Manila served as respondents to this survey. The sample enterprises were drawn from the 2011 Edition of the Philippines' Top 25,000 Corporations of the Securities and Exchange Commission. The retrieval rate for the fourth quarter of 2013 was 99.59%. 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 in the fourth quarter of 2013 was on the upswing - driven by the strong hiring in wholesale and retail trade in time for the holiday season. This was further boosted by robust expansion in administrative and support service activities and professional, scientific and technical activities.
- Measured in terms of the percent difference between accession rate and separation rate, employment growth for the fourth quarter of 2013 accelerated to 3.22% - the highest recorded since fourth quarter of 2010 (Table 2)
- More specifically, overall accession rate (8.86%) outpaced separation rate (5.64%), a percentage point difference or a labor turnover rate of 3.22%. This suggests an addition of 32 workers per 1,000 employed: 88 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 56 workers per 1,000 employed were terminated or quit their jobs.
- The rise in labor turnover rate this quarter was driven by large gains in three sub-sectors with big enterprise employment base, i.e., administrative and support service activities (9.55%); wholesale and retail trade (3.77%); and professional, scientific and technical activities (3.46%). (Table 1)
- Notable gains also occurred in financial and insurance activities (2.34%); manufacturing (2.21%); information and communication (1.52%); and in industries with small enterprise employment base such as arts, entertainment and recreation (3.16%); human health and social work activities (2.82%); and agriculture, forestry and fishing (2.30%).
- Meanwhile, employment was about unchanged in electricity, gas, steam and air conditioning supply (0.60%); accommodation and food service activities (0.46%); water supply;

sewerage, waste management and remediation activities (0.15%); and construction (0.05%) – as accession rate barely offset separation rate.

Net turnover rate was down in mining and quarrying (-9.27%) and private education (-2.74%) where separation of workers exceeded accession or hiring.

The rest of the industries registered higher accession due to replacement of workers than accession due to expansion of business activities - most notably in arts, entertainment and recreation (11.03% vs. 4.14%); wholesale and retail trade (7.30% vs. 2.85%); and information and communication (5.04% vs. 0.81%).

### Reasons for accession

- Accession due to expansion of business activities (4.39%) was almost at par with accession due to replacement of workers (4.47%). (*Table 1*)

Seven (7) industry groups registered higher accession due to expansion of business activities than replacement of workers. The most apparent was observed in administrative and support service activities that include the business process outsourcing or BPO (11.76% vs. 2.93%); professional, scientific and technical activities (6.12% vs. 0.61%); manufacturing (5.81% vs. 3.55%); and construction (4.95% vs. 1.79%).

### Reasons for separation

- Employer-initiated separations (3.51%) or terminations surpassed employee-initiated separations or quits (2.14%). (*Table 1*)
- More terminations than quits occurred in eight (8) sub-sectors. The top three were mining and quarrying (14.12% vs. 0.92%); arts, entertainment and recreation (7.74% vs. 4.27%); and accommodation and food service activities (5.97% vs. 4.24%).
- The rest of the sub-sectors reported more quits than terminations. This was most pronounced in human health and social work activities (3.84% vs. 0.80%); transportation and storage (3.37% vs. 1.89%); and real estate activities (3.35% vs. 0.39%).

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#### FOR INQUIRIES:

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises  
by Major Industry Group, National Capital Region: 4th Quarter 2013**

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b>ALL INDUSTRIES</b>	<b>8.86</b>	<b>5.64</b>	<b>3.22</b>	<b>4.39</b>	<b>4.47</b>	<b>2.14</b>	<b>3.51</b>
<b>Agriculture</b>	<b>6.21</b>	<b>3.92</b>	<b>2.30</b>	<b>3.62</b>	<b>2.60</b>	<b>0.83</b>	<b>3.08</b>
Agriculture, forestry and fishing	6.21	3.92	2.30	3.62	2.60	0.83	3.08
<b>Industry</b>	<b>7.97</b>	<b>7.13</b>	<b>0.84</b>	<b>5.19</b>	<b>2.78</b>	<b>1.32</b>	<b>5.81</b>
Mining and quarrying	5.77	15.04	(9.27)	2.60	3.17	0.92	14.12
Manufacturing	9.36	7.15	2.21	5.81	3.55	1.42	5.72
Electricity, gas, steam and air conditioning supply	1.83	1.23	0.60	0.71	1.12	0.89	0.34
Water supply; sewerage, waste management and remediation activities	1.82	1.67	0.15	0.86	0.96	0.92	0.75
Construction	6.74	6.69	0.05	4.95	1.79	1.25	5.44
<b>Services</b>	<b>9.05</b>	<b>5.35</b>	<b>3.70</b>	<b>4.24</b>	<b>4.82</b>	<b>2.31</b>	<b>3.04</b>
Wholesale and retail trade; repair of motor vehicles and motorcycles	10.15	6.37	3.77	2.85	7.30	1.70	4.68
Transportation and storage	6.57	5.27	1.30	3.55	3.01	3.37	1.89
Accommodation and food service activities	10.66	10.21	0.46	4.53	6.13	4.24	5.97
Information and communication	5.85	4.34	1.52	0.81	5.04	2.94	1.39
Financial and insurance activities	4.70	2.36	2.34	2.36	2.34	1.88	0.48
Real estate activities	4.77	3.74	1.04	1.90	2.87	3.35	0.39
Professional, scientific and technical activities	6.72	3.27	3.46	6.12	0.61	2.38	0.89
Administrative and support service activities	14.70	5.14	9.55	11.76	2.93	2.58	2.56
Education	2.76	5.50	(2.74)	1.35	1.40	2.44	3.06
Human health and social work activities	7.47	4.65	2.82	1.90	5.57	3.84	0.80
Arts, entertainment and recreation	15.17	12.01	3.16	4.14	11.03	4.27	7.74
Other service activities	4.27	2.86	1.42	0.96	3.31	1.58	1.28

*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: 3<sup>rd</sup> Qtr. 2002 – 4<sup>th</sup> Qtr. 2013**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<b>2013</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>2012</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>2011</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>2010</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>2009</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>2008</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
<b>2007</b>			
1 <sup>st</sup> Quarter	9.21	7.65	1.56
2 <sup>nd</sup> Quarter	11.31	7.75	3.57
3 <sup>rd</sup> Quarter	11.16	7.84	3.31
4 <sup>th</sup> Quarter	10.20	7.33	2.87
<b>2006</b>			
1 <sup>st</sup> Quarter	9.20	8.43	0.77
2 <sup>nd</sup> Quarter	8.94	7.21	1.72
3 <sup>rd</sup> Quarter	9.84	7.87	1.97
4 <sup>th</sup> Quarter	8.91	7.27	1.64
<b>2005</b>			
1 <sup>st</sup> Quarter	7.91	7.70	0.21
2 <sup>nd</sup> Quarter	9.95	7.34	2.61
3 <sup>rd</sup> Quarter	8.47	8.55	(0.08)
4 <sup>th</sup> Quarter	8.30	7.10	1.20
<b>2004</b>			
1 <sup>st</sup> Quarter	5.88	6.11	(0.24)
2 <sup>nd</sup> Quarter	7.34	5.47	1.87
3 <sup>rd</sup> Quarter	8.16	6.53	1.63
4 <sup>th</sup> Quarter	7.12	6.23	0.89
<b>2003</b>			
1 <sup>st</sup> Quarter	6.12	6.06	0.06
2 <sup>nd</sup> Quarter	6.85	6.70	0.15
3 <sup>rd</sup> Quarter	6.52	7.92	(1.40)
4 <sup>th</sup> Quarter	7.79	6.38	1.42
<b>2002</b>			
3 <sup>rd</sup> Quarter	5.96	6.19	(0.22)
4 <sup>th</sup> 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: Philippine Statistics Authority, Labor Turnover Survey.