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LABOR TURNOVER STATISTICS

Third Quarter 2012

(IN LARGE ENTERPRISES IN METRO MANILA)

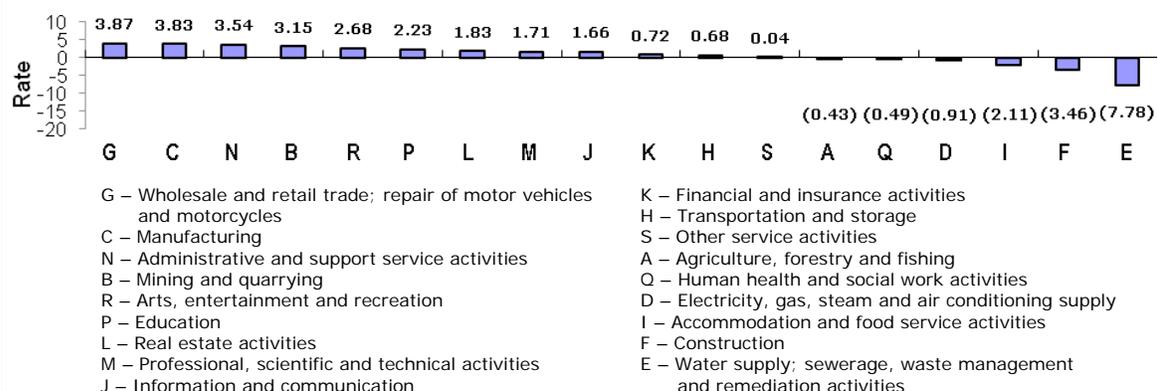
The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Bureau of Labor and Employment Statistics (BLES) since the third quarter of 2002. The survey aims to capture "job creations" and "job displacements" in large business enterprises based in Metro Manila by collecting 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 third quarter of 2012 was 97.35%. Survey data since 2008 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 growth in large enterprises in Metro Manila registered a rebound in the third quarter of 2012 on the back of the country's improved economic performance.
- Measured in terms of percent difference between accession rate and separation rate, employment growth for the third quarter of 2012 accelerated to 2.35% - a turnaround from the near zero growth in the first quarter (0.63%) and second quarter (0.85%) of this year and about at par with the same quarter last year (2.51%). (Table 2)
- More specifically, overall accession rate (8.43%) outpaced separation rate (6.08%), a labor turnover rate of 2.35%. This suggests an addition of 23 workers per 1,000 employed: 84 workers per 1,000 employed were added to the enterprise workforce due to expansion or

FIGURE 1 – Labor Turnover Rates (Percent Difference) by Major Industry Group, National Capital Region: 3rd Quarter 2012



replacement while 61 workers per 1,000 employed were terminated or quit their jobs.

- The higher labor turnover rates this quarter was driven by gains in three (3) big sub-sectors which posted more than three percent turnover rate, namely: wholesale and retail trade (3.87%); manufacturing (3.83%); and administrative and support service activities¹ (3.54%).
- Notable gains also occurred in mining and quarrying (3.15%); arts, entertainment and recreation (2.68%); education (2.23%); real estate activities (1.83%); professionals, scientific and technical activities (1.71%); and information and communication (1.66%).
- Meanwhile, turnover rate was down in six (6) sub-industries: water supply (-7.78%); construction (-3.46%); accommodation and food service activities (-2.11%); electricity, gas steam and air conditioning supply (-0.91%); human health and social work activities (-0.49%); and agriculture, forestry and fishing (0.43%).

Reasons for accession

- Accession due to expansion of business activities dominated accession due to replacement of workers in five (5) sub-industries that include manufacturing (3.67% vs. 2.19%); construction (6.83% vs. 2.31%); information and communication (4.90% vs. 2.78%); professional, scientific and technical activities (2.30% vs. 1.63%) and education (1.88% vs. 1.38%).

- In contrast, accession due to replacement of workers (5.30%) continued to outpace accession due to expansion of business activities (3.13%). This is observed in 13 sub-industries most notably in arts, entertainment and recreation (12.15% vs. 2.37%); administrative and support service activities¹ (8.12% vs. 2.38%); wholesale and retail trade (7.37% vs. 3.25%); and human health and social work activities (4.64% vs. 0.68%).

Reasons for separation

- Employer-initiated separations (3.28%) or terminations surpassed employee-initiated separations or quits (2.80%). (*Table 1*)
- More quits than terminations occurred in nine (9) sub-sectors which could indicate tighter labor supply situation. The top three were: administrative and support service activities¹ (5.69% vs. 1.26%); real estate activities (4.91% vs. 0.52%); and other service activities (4.06% vs. 0.39%).
- On the other hand, nine (9) sub-sectors reported more terminations than quits. This was most pronounced in construction (10.49% vs. 2.12%); and mining and quarrying (7.87% vs. 1.26%).

¹ Include Business Process Outsourcing.

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**TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 3rd Quarter 2012**

INDUSTRY	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	8.43	6.08	2.35	3.13	5.30	2.80	3.28
Agriculture	5.65	6.09	(0.43)	1.45	4.21	1.24	4.85
Agriculture, forestry and fishing	5.65	6.09	(0.43)	1.45	4.21	1.24	4.85
Industry	7.17	6.19	0.98	4.71	2.46	1.67	4.52
Mining and quarrying	12.28	9.13	3.15	4.67	7.61	1.26	7.87
Manufacturing	5.86	2.03	3.83	3.67	2.19	1.44	0.59
Electricity, gas, steam and air conditioning supply	0.64	1.55	(0.91)	0.31	0.33	1.28	0.26
Water supply; sewerage, waste management and remediation activities	2.24	10.02	(7.78)	0.87	1.37	2.03	8.00
Construction	9.14	12.60	(3.46)	6.83	2.31	2.12	10.49
Services	8.71	6.06	2.66	2.81	5.90	3.04	3.01
Wholesale and retail trade; repair of motor vehicles and motorcycles	10.61	6.74	3.87	3.25	7.37	2.07	4.67
Transportation and storage	4.92	4.24	0.68	1.34	3.58	1.59	2.65
Accommodation and food service activities	7.55	9.66	(2.11)	3.00	4.55	4.70	4.96
Information and communication	7.68	6.02	1.66	4.90	2.78	2.98	3.04
Financial and insurance activities	4.07	3.35	0.72	1.41	2.66	3.29	0.06
Real estate activities	7.26	5.42	1.83	2.04	5.22	4.91	0.52
Professional, scientific and technical activities	3.94	2.23	1.71	2.30	1.63	1.78	0.44
Administrative and support service activities	10.49	6.95	3.54	2.38	8.12	5.69	1.26
Education	3.26	1.04	2.23	1.88	1.38	0.97	0.07
Human health and social work activities	5.32	5.81	(0.49)	0.68	4.64	4.65	1.15
Arts, entertainment and recreation	14.52	11.84	2.68	2.37	12.15	3.93	7.91
Other service activities	4.49	4.46	0.04	1.75	2.75	4.06	0.39

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 Quarter 2002 – 3rd Quarter 2012**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
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
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.