

## Metadata

### I. ABOUT THE DATA

#### A. OBJECTIVE OF THE SURVEY

The Labor Turnover Survey (LTS) aims to generate quarterly data on labor turnover (accession and separation rates) as useful indicators of labor market activity in large business enterprises.

#### B. USES OF THE DATA

The information gathered in this survey is intended to generate timely labor market signals as sound basis in planning, policy formulation and decision making.

#### C. MAIN TOPICS COVERED BY THE SURVEY

Main topics covered by the survey include total accession, (expansion and replacement) and total separation (employee-initiated and employer-initiated)

#### D. REFERENCE PERIOD

The reference period of the survey covers the preceding quarter.

#### E. PERIODICITY (FREQUENCY)

Quarterly

#### F. SCOPE AND COVERAGE

The LTS is an enterprise-based survey covering enterprises based in NCR that belong to the country's Top 8,000 Enterprises based on revenues/sales as listed by the Securities and Exchange Commission. The survey gathers consolidated information from the enterprise including its branches, if there are any.

#### G. CONCEPTS AND DEFINITIONS

**Enterprises:** refers to an economic unit consisting of one or more establishments under a single ownership or control. It maybe a complex family of legal entities or a single legal entity such as a corporation, partnership or single proprietorship.

**Main economic activity:** refers to the activity that contributes the biggest or major portion of the gross income or revenues of the enterprise.

**Major products/goods or services:** refer to the specific products/goods produced or service given by the enterprise.

**Total Employment:** refers to the number of persons who worked or received pay from the enterprise and **all its branches** during the reference period. This includes the following: 1) **Working Owners** – owners who are actively engaged in the management of the enterprise but do not receive regular pay; 2) **Unpaid Workers** – persons working without pay and work for at least 1/3 of the working time normal to the enterprise; and 3) **Paid Officials and Workers** – include full-time/part-time workers; employees on paid leaves (e.g., sick/vacation/maternity/holiday/study leave); and employees working away from the enterprise but paid by and under the control of the firm. **Excluded are workers hired through contractor/agency.**

**New Hires (Accessions)** – refer to permanent or temporary additions to employment in the enterprise due to 1) expansion of business activity and 2) replacement of separated workers and employment resulting from changes in methods/technology of production or service.

**Accession Rate or Hiring Rate** – is computed by dividing the number of new hires by employment and multiplying that quotient by 100. Expansion and replacement rates are computed similarly, dividing the number by employment and multiplying by 100.

**Separations** – refer to terminations of employment due to a) quits or terminations initiated by the employees and b) layoffs or terminations initiated by the employers due to economic reasons (e.g., lack of market, financial losses, redundancy) and non-economic reasons (e.g., gross negligence, AWOL).

**Separation Rate** – is computed by dividing the number of separations by employment and multiplying that quotient by 100. The quits, layoffs and other separation rates are computed similarly, dividing the number by employment and multiplying by 100.

## H. CLASSIFICATIONS

**Industrial:** The industry classification is based on the 1994 Philippine Standard Industrial Classification (PSIC). The PSIC is the 6-alpha-numeric code to denote the industrial classification of the enterprise. The alpha character refers to the major industry group while the numeric characters refer to the specific industry group.

**Employment Size:** The classification of establishments according to employment size is based on the average total employment of the enterprise which are less than 20 workers, 20-49 workers, 50-199 workers and 200 and over.

## I. SAMPLING DESIGN

**Statistical unit:** The statistical unit is the enterprise

**Survey universe/sample frame:** The sampling frame for the survey is the List of Metro-Manila-based Enterprises that belong to the country's top 8,000 enterprises.

**Sample design:** Due to budgetary constraints, the sample size of the survey was limited and was fixed at 700 respondents per quarter. This sample size was drawn through stratified random sampling wherein enterprises in the list were ranked according to revenue and stratified into two. The first 200 firms which comprise the first stratum were covered with certainty. The rest were assigned to the second stratum from which the remaining 300 samples were drawn randomly to ensure inclusion of small and medium-sized enterprises.

**Sample size:** A total of 700 enterprises are sampled.

## J. FIELD WORK

**Data collection:** Data collection methods include personal interview, fax and in some instances telephone-assisted interviewing. Results of the survey are available 3 months after the reference period.

**Substitution of sampling units:** Replacement of sample enterprise is done when the sampled enterprise falls in one of the following situation during the field operation: (1) cannot be located; (2) refuse to answer; (3) temporarily closed; (4) duplicate of another sample enterprise; (5) permanently closed; or (6) on strike.

## K. DATA PROCESSING AND EDITING

Data are manually and electronically processed. Upon collection of accomplished questionnaires, enumerators perform field editing before leaving the establishments to ensure completeness, consistency and reasonableness of entries in accordance with the field operations manual. The forms are again checked for data consistency and completeness by field supervisors. The BLES personnel undertake the final review, coding of information on classifications used, data entry and validation and scrutiny of aggregated results for coherence.

Questionnaires with incomplete or inconsistent entries are returned to the establishments for verification, personally or through phone interview.

Microsoft Access is used for data encoding and generation of validation prooflists. After checking accuracy of encoding based on the prooflists, a conversion program using SPSS is executed to generate output tables.

#### L. TYPES OF ESTIMATES

Labor turnover rates (total accession, total separation and percent difference) by major industry and by employment size.

#### M. ESTIMATION PROCEDURES

Indicators are just an aggregate of the values being collected and are not weighted to generate estimates for the whole population.

##### Accession

$$\begin{aligned}
 A &= \sum_i \sum_j \sum_k \sum_l A_{ijkl} \\
 &= \sum_i \sum_j \sum_k \sum_l AE_{ijkl} + \sum_i \sum_j \sum_k \sum_l AP_{ijkl}
 \end{aligned}$$

Where:

$A$  = total accession

$AE_{ijkl}$  = total number of accession due to expansion of the  $l^{\text{th}}$  enterprise during the  $k^{\text{th}}$  month covered by the survey with employment size  $j$  in major  $i$

$AP_{ijkl}$  = total number of accession due to replacement of the  $l^{\text{th}}$  enterprise during the  $k^{\text{th}}$  month covered by the survey with employment size  $j$  in major  $i$

### Separation

$$\begin{aligned} S &= \sum_i \sum_j \sum_k \sum_l S_{ijkl} \\ &= \sum_i \sum_j \sum_k \sum_l SE_{ijkl} + \sum_i \sum_j \sum_k \sum_l SR_{ijkl} \end{aligned}$$

Where:

$R$  = total separation

$SE_{ijkl}$  = total number of employee-initiated separation of the  $l^{\text{th}}$  enterprise during the  $k^{\text{th}}$  month covered by the survey with employment size  $j$  in major  $i$

$SR_{ijkl}$  = total employer-initiated separation of the  $l^{\text{th}}$  enterprise during the  $k^{\text{th}}$  month covered by the survey with employment size  $j$  in major  $i$

### Accession Rate

$$AR = \frac{A}{E} \times 100$$

Where:

$AR$  = accession rate

$A$  = total accession

$E$  = total employment

### Separation Rate

$$SR = \frac{S}{E} \times 100$$

Where:

$SR$  = separation rate

$S$  = total separation

$E$  = total employment

### Labor Turnover Rate

$$LTR = AR - SR$$

Where:

*AR* = accession rate

*SR* = separation rate

### N. ADJUSTMENTS

***Non-response:*** No adjustments are made.

***Other bias:*** No adjustments are made.

***Use of benchmark data:*** No benchmark data is used.

***Use of other surveys:*** No other survey data are used.

***Seasonal variations:*** No seasonal adjustment made.

### O. INDICATORS OF THE RELIABILITY OF THE ESTIMATES

***Coverage of the sampling frame:*** Updated annually.

***Sampling error/Sampling variance:*** Results of the survey are not weighted to come up with estimates for the whole population thus no sampling error is computed.

***Non-sampling errors:*** These may occur due to inaccuracies in reporting by establishments and enumerators, mistakes in coding, editing and data entry. However, efforts are made to reduce non-sampling errors by careful design of the questionnaire, intensive training of survey personnel, linkages with key informants (employers' and workers groups, government agencies and the academe) and through adoption and documentation of efficient operating procedures.

***Conformity with other sources:*** The survey results are checked for consistency with the results of previous LTS data, Labor Force Survey and National Accounts.

***Estimates for non-survey years:*** Not relevant

## P. HISTORY OF THE SURVEY

Prior to 1989, statistics on labor turnover and layoffs were derived from two mandatory reports submitted by employers to the Department of Labor and Employment (DOLE). These reports were the Monthly Employment Report and the Employer's Termination Report which were submitted in compliance with the implementing rules and regulations of the Labor Code of the Philippines. However, due to low compliance rates, coverage was limited and the Department was unable to come up with an accurate picture of the dynamics of the labor market.

In 1988, a special study funded by the National Statistical Coordination Board entitled "Improvement of Client-Based Statistics on Labor and Employment," was undertaken. Among others, the study recommended the conduct of a national survey of establishments to inquire on labor turnover, vacancies and layoffs to adequately monitor the labor market performance of the business sector. This recommendation paved way for the conduct of the Employment, Hours and Earnings Survey (EHES).

From 1989 to 1997, the EHES was conducted as a rider to the then Quarterly Survey of Establishments (QSE) of the National Statistics Office. The survey was designed to collect quarterly data on labor turnover, hours of work, layoffs and job vacancies.

The EHES was revised in 1998 to generate more relevant and timely statistical information on emerging issues and problems affecting the labor market. The revision entailed the redesigning of the questionnaire, modification of the sampling design, conformity to the 1994 Philippine Standard Industrial Classification, and the assumption of the survey field operations by the Bureau in coordination with the DOLE Regional Offices.

The revised EHES and new arrangement lasted for three years (1998-2000) until it was discontinued in 2001 due to severe budgetary cuts.

In the 2<sup>nd</sup> semester of 2002, the then Secretary Patricia A. Sto. Tomas instructed the BLES to conduct a small-scale survey on labor turnover using limited sample size to complement the results of job displacement data series. This survey is now the forerunner of the current LTS series.

Due to budget cuts, 2001 EHES was not conducted while the first semester 2002 EHES was limited to establishments in Metro Manila. Starting 2<sup>nd</sup> semester 2002 and onwards, the LTS

was conducted upon the instruction of Secretary Patricia A. Sto Tomas to complement the data on layoffs and LFS series.

#### Q. AVAILABLE SERIES:

The data series starts from the 2<sup>nd</sup> semester of 2002 up to the 2<sup>nd</sup> semester of 2006.

## II. DOCUMENTATION

### A. ADVANCE RELEASE CALENDAR

An advance release calendar that gives one-quarter-ahead notice of the approximate release date is posted in the BLES Homepage.

### B. DISSEMINATION FORMATS

#### ***Hard Copy***

- Philippine Industry Yearbook of Labor Statistics

#### ***Electronic***

- BLES Homepage: <http://www.bles.dole.gov.ph/> or <http://www.manila-online.net/bles>

## III. CONFIDENTIALITY

The compilation and dissemination of the data are governed by the terms and conditions of Executive Order No. 126 (January 30, 1987) creating the Bureau of Labor and Employment Statistics and Executive Order 352 (July 1, 1996) designating the EHES as one of the statistical activities critical for decision making of the government and the private sector.

While E.O. 126 is silent on the confidentiality of individual responses from surveys conducted by the BLES, it collects data under the pledge of confidentiality. A statement to this effect is printed in all the questionnaires of BLES surveys.