

LABOR TURNOVER STATISTICS

First and Second Quarters 2010

(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 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 600 large enterprises in Metro Manila which were drawn from the 2009 Edition of the Philippines Top 10,000 Corporations of the Securities and Exchange Commission. (Retrieval rates for second and first quarters of 2010 were 99.24% and 100%, respectively.) 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.



Accession Rate

Accession rate was posted at 13.52% for the second quarter of 2010 – upped from 10.23% in the first quarter. Accessions are additions to employment during the quarter. *Accession rate is derived by dividing total accession by total employment. (Table 1)*

Table 1 - ACCESSION AND SEPARATION RATES BY REASON, NATIONAL CAPITAL REGION: 1st AND 2nd Quarters 2010

Indicator	Quarter	
	2 nd	1 st
Accession Rate	13.52	10.23
Due to Expansion	3.22	4.09
Due to Replacement	10.30	6.14
Separation Rate	10.66	11.11
Employee-Initiated	5.65	5.90
Employer-Initiated	5.01	5.21
Labor Turnover Rate <i>(Difference between accession rate and separation rate)</i>	2.86	-0.88

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

- The highest accession rate in the second quarter was observed in five (5) sub-sectors: real estate, renting and business activities (21.74%); mining and quarrying (21.62%); manufacturing (16.11%); hotels and restaurants (12.26%); and other community, social and personal service activities (10.51%). (Table 2)
- Meanwhile, the lowest accession rates were recorded in the following sub-sectors: agriculture, hunting and forestry (1.61%); electricity, gas and water supply (2.77%); and financial intermediation (3.22%).
- By reason, accession rate due to replacement of separated workers (10.30%) exceeded by a large margin the accession rate due to expansion of business activities (3.22%). The same pattern can be noted in the previous quarter.

Separation Rate

The second quarter separation rate (10.66%) was lower than the first quarter rate (11.11%). Separations are

terminations of employment or quits that occurred during the period. *Separation rate is derived by dividing total separations by total employment.*

- Construction scored the highest in terms of separation rate (17.51%) in the second quarter followed by mining and quarrying (16.05%); real estate, renting and business activities (15.15%); and manufacturing (15.01%). Agriculture, hunting and forestry had the lowest separation rate (0.99%) for the second quarter survey.
- Separation rate in the first quarter was posted the largest in manufacturing (24.52%) and real estate, renting and business activities (13.60%). (Table 2)
- For the second and first quarters, separation rate was almost equally divided between employee-initiated separation (5.65% and 5.90%, respectively) and employer-initiated separation (5.01% and 5.21%, respectively).

Labor Turnover

(Accession rate vs. Separation rate)

On the overall, employment in large enterprises based in Metro-Manila rebounded in the 2nd quarter 2010 growing by 2.86%. This represents a marked improvement from the -0.88% figure registered in the 1st quarter.

- Measured in terms of labor turnover rate, the second quarter accession rate (13.52%) surpassed separation rate (10.66%), resulting to a difference or an employment growth rate of 2.86%. (Tables 1 and 3)

This means that employment of these enterprises increased by about 29 workers per 1,000 employed, as 135 workers per 1,000 employed were hired while 107 workers per 1,000 employed were terminated or quit their jobs.

This was a notable improvement from first quarter result when accession rate (10.23%) fell slightly behind separation rate (11.11%) resulting in turnover rate of -0.88%.

- The service sector continued to be the driver of growth growing at 3.7% in the second quarter and compensating for the sluggish growth in agriculture, fishery and forestry (0.81%) and the decline in industry (-0.97%).
- Real estate, renting and business activities mainly those in business process outsourcing (BPO) posted the biggest employment gain (6.59%) followed by mining and quarrying (5.57%) and private education services (2.30%).
- On the other hand, employment losses occurred in two sub-sectors: construction (-8.09%) and hotels and restaurants (-0.73%). (Table 2)

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Table 2 - LABOR TURNOVER RATE BY SECTOR, NATIONAL CAPITAL REGION: 2nd AND 1st QUARTERS 2010

SECTOR	2 nd Quarter				1 st Quarter			
	Number of Enterprises	Labor Turnover Rate (%)			Number of Enterprises	Labor Turnover Rate (%)		
		Accession	Separation	Difference		Accession	Separation	Difference
All Sectoral Groups	8,737	13.52	10.66	2.86	8,920	10.23	11.11	(0.88)
Agriculture, Fishery and Forestry	39	5.16	4.35	0.81	53	4.94	4.82	0.12
Agriculture, Hunting and Forestry	22	1.61	0.99	0.62	34	2.71	1.61	1.10
Fishing	16	6.13	5.26	0.86	20	5.63	5.80	(0.18)
Industry	2,141	14.20	15.16	(0.97)	2,395	14.75	19.66	(4.92)
Mining and Quarrying	29	21.62	16.05	5.57	39	23.94	9.92	14.02
Manufacturing	1,625	16.11	15.01	1.10	1,815	18.11	24.52	(6.41)
Electricity, Gas and Water Supply	26	2.77	1.77	1.00	60	3.10	3.23	(0.13)
Construction	461	9.42	17.51	(8.09)	481	5.07	8.12	(3.05)
Services	6,557	13.42	9.72	3.70	6,472	9.07	8.88	0.19
Wholesale and Retail Trade and Related Services	2,898	8.78	7.17	1.61	3,038	6.42	8.32	(1.90)
Hotels and Restaurants	581	12.26	12.99	(0.73)	576	7.41	9.83	(2.42)
Transport, Storage and Communications	524	5.58	4.11	1.47	474	4.45	3.32	1.13
Financial Intermediation	409	3.22	2.36	0.86	445	1.26	2.88	(1.62)
Real Estate, Renting and Business Activities	1,815	21.74	15.15	6.59	1,573	15.46	13.60	1.86
Private Education Services	51	9.69	7.40	2.30	58	1.67	2.38	(0.71)
Health and Social Work (Private)	79	6.11	4.96	1.14	77	5.13	5.96	(0.82)
Other Community, Social and Personal Service Activities	200	10.51	8.89	1.63	231	9.59	9.64	(0.06)

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

**Table 3 - LABOR TURNOVER RATE BY YEAR AND QUARTER,
NATIONAL CAPITAL REGION: 3rd QTR. 2002 - 2nd QTR. 2010**

YEAR/QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
<u>2010</u>			
1 st Quarter	10.23	11.11	(0.88)
2 nd Quarter	13.52	10.66	2.86
<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

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

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