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## LABOR TURNOVER STATISTICS

### Fourth Quarter 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 (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 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. The retrieval rate for fourth quarter 2010 was 100%. 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.

### Labor Turnover (Accessions vs. Separations)

- Employment in top enterprises in the National Capital Region continued to grow (4.05%) in the fourth quarter of 2010. (Table 1)



- Measured in terms of labor turnover rate, this growth resulted from accession rate (12.56%) surpassing separation rate (8.51%). This suggests an addition of 41 workers per 1,000 employed persons since 126 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement of employees while 85 workers per 1,000 employed were terminated or quit their workplaces.
- The fourth quarter 2010 turnover rate reflected a strong domestic economy which grew by 7.1% on the back of the strong output in industry (8.3%) and services (6.9%) sectors.
- By sub-sector, the highest labor turnover rate was recorded in real estate, renting and business activities (7.67%). In close second was manufacturing (7.05%). This was followed by wholesale and retail trade (2.68%); transport, storage and communications (2.34%); and hotels and restaurants (1.32%). (Table 3)
- Other sub-sectors that showed positive growth, though less than one percent each, were: health and social work (0.87%); agriculture, hunting and forestry (0.49%); other community, social and personal service activities (0.39%); electricity, gas and water supply (0.22%); private education services (0.15%); and financial intermediation (0.03%).
- Losses were recorded in mining and quarrying (-5.15%), construction (-4.96%), and fishing (-2.17%).

### Accession Rate

- **The fourth quarter 2010 accession rate stood at 12.56%.** Accessions are additions to employment during the quarter. *Accession rate is the proportion of total accessions to total employment.*
- Accession due to replacement of workers (10.38%) exceeded accession due to expansion of business activity (2.18%). (Table 1)
- **Separation rate stood at 8.51%.** Separations are terminations of employment or quits that occurred during the period. *Separation rate is the proportion of total separations to total employment.*
- Employer-initiated separations (4.38%) slightly surpassed employee-initiated separations (4.13%). This indicated a reversal in the trend for employee-initiated terminations which usually dominated in the previous survey rounds. (Table 1)

**TABLE 1 – Accession and Separation Rates by Reason, National Capital Region: 4<sup>th</sup> Quarter 2010**

Indicator	Rate (%)
<b>Accession Rate</b>	<b>12.56</b>
Due to Expansion	2.18
Due to Replacement	10.38
<b>Separation Rate</b>	<b>8.51</b>
Employee-Initiated	4.13
Employer-Initiated	4.38
<b>Labor Turnover Rate</b> <i>(Difference between accession rate and separation rate)</i>	<b>4.05</b>

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

- **Manufacturing pegged the highest accession rate at 19.46%.** Real estate, renting and business activities (19.05%) came in close second followed by mining and quarrying (14.31%). (Table 3)
- Electricity, gas and water (1.28%) posted the lowest accession rate. Agriculture, hunting and forestry (1.89%) notched the second lowest spot followed by financial intermediation (2.11%).
- **Mining and quarrying posted the highest separation rate (19.45%).** Construction (15.12%) and manufacturing (12.41%) recorded the second and third highest separation rates, respectively. (Table 3)
- Similar to accession rates, the following sub-sectors posted the lowest separation rates during the quarter: electricity, gas and water supply (1.07%); agriculture, hunting and forestry (1.40%); and financial intermediation (2.08%).

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**FOR INQUIRIES:**

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**Separation Rate**

**TABLE 2 – Labor Turnover Rates by Year and Quarter, National Capital Region: 3<sup>rd</sup> Qtr. 2002 – 4<sup>th</sup> Qtr. 2010**

<b>YEAR/QUARTER</b>	<b>Accession Rate</b>	<b>Separation Rate</b>	<b>Labor Turnover Rate (Percent Difference)</b>
<b><u>2010</u></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><u>2009</u></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><u>2008</u></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><u>2007</u></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><u>2006</u></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><u>2005</u></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><u>2004</u></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><u>2003</u></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><u>2002</u></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. Details may not add up to total or equal to difference due to rounding.

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

**TABLE 3 – Labor Turnover Rates by Sector, National Capital Region:  
4<sup>th</sup> Quarter 2010**

<b>SECTOR</b>	<b>Number of Enterprises</b>	<b>Accession Rate</b>	<b>Separation Rate</b>	<b>Labor Turnover Rate (Percent Difference)</b>
<b>All Sectoral Groups</b>	<b>8,929</b>	<b>12.56</b>	<b>8.51</b>	<b>4.05</b>
<b>Agriculture, Fishery and Forestry</b>	<b>40</b>	<b>2.39</b>	<b>3.93</b>	<b>(1.54)</b>
Agriculture, Hunting and Forestry	24	1.89	1.40	0.49
Fishing	16	2.55	4.73	(2.17)
<b>Industry</b>	<b>2,100</b>	<b>16.23</b>	<b>12.90</b>	<b>3.33</b>
Mining and Quarrying	30	14.31	19.45	(5.15)
Manufacturing	1,582	19.46	12.41	7.05
Electricity, Gas and Water Supply	25	1.28	1.07	0.22
Construction	463	10.16	15.12	(4.96)
<b>Services</b>	<b>6,789</b>	<b>11.84</b>	<b>7.59</b>	<b>4.24</b>
Wholesale and Retail Trade and Related Services	3,067	10.62	7.95	2.68
Hotels and Restaurants	615	9.15	7.83	1.32
Transport, Storage and Communications	566	5.72	3.38	2.34
Financial Intermediation	431	2.11	2.08	0.03
Real Estate, Renting and Business Activities	1,807	19.05	11.38	7.67
Private Education Services	50	3.51	3.37	0.15
Health and Social Work (Private)	78	4.79	3.92	0.87
Other Community, Social and Personal Service Activities	176	6.93	6.54	0.39

*Note: Details may not add up to total or equal to difference due to rounding.*

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