

MEMORANDUM

For : Secretary ARTURO D. BRION
Thru : Assistant Secretary REBECCA J. CALZADO
From : Director MA. CRISELDA R. SY
Re : Labor Turnover Statistics (1st Quarter 2007)
Date : 6 July 2007

We are pleased to submit the highlights of the First Quarter 2007 Labor Turnover Survey (LTS), which covered 472 sample enterprises (out of the target 500 samples) located in Metro-Manila that belong to the top 5,000 corporations in the Philippines. The survey, which was conducted by the BLES from May to June 2007, aims to monitor the employment expansion or contraction among large enterprises by collecting quarterly data on accessions and separations of workers.

Accession Rate

- **Accession rate** was posted at 9.21% in the first quarter of 2007. Accessions are additions to employment during the quarter (*accession rate is derived by dividing total accessions by total employment*).
- By sector, the highest accession rates were registered in agriculture, fishery and forestry (15.65%), hotels and restaurants (15.54%), wholesale and retail trade (15.25%), construction (14.53%), and real estate, renting and business activities (14.00%). The lowest accession rates were in private education services (0.77%) and electricity, gas and water supply (1.96%).
- By reason, accession due to replacement of separated workers and job quitters (7.64%) continued to surpass accession due to expansion of business activities (1.57%).

Separation Rate

- Separation rate was recorded at 7.65% during the same period. Separations are terminations of employment that occurred during the period (*separation rate is derived by dividing total separations by total employment*).

- By sector, the highest separation rate was likewise noted in agriculture, fishery and forestry (17.56%). This was followed by wholesale and retail trade (17.24%), construction (13.13%), other community, social and personal service activities (10.54%), and real estate, renting and business activities (9.28%). Private education services (1.55%) and electricity, gas and water supply (2.37%) also recorded the lowest separation rates.
- By reason, employer-initiated separation (4.55%) exceeded employee-initiated separation (3.11%).

Labor Turnover (Accessions vs. Separations)

- Overall, enterprises covered in this survey continued to register positive growth in employment as accession rate at 9.21% edged out separation rate at 7.65%. This implies a growth rate of 1.56% which means 16 workers for every 1,000 employed were added to the workforce of these enterprises.
- The sector that posted the highest growth rate (*accession rate less separation rate*) was hotels and restaurants (11.85%) followed by real estate, renting and business activities (4.71%). On the other hand, seven (7) sectors experienced employment decline as follows: mining and quarrying (-2.54%), wholesale and retail trade and related services (-1.99%), agriculture, fishery and forestry (-1.91%), private education services (-0.77%), other community, social and personal service activities (-0.51%), manufacturing (-0.46%), and electricity, gas and water supply (-0.41%),

**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 1st QUARTER 2007**

| SECTOR | Number of Samples | Labor Turnover Rate (%) | | |
|--|----------------------|-------------------------|--------------------|-----------------------|
| | | Accession Rate | Separation Rate | Percent Difference |
| <u>All Sectoral Groups</u> | <u>472</u> | <u>9.21</u> | <u>7.65</u> | <u>1.56</u> |
| Agriculture, Fishery and Forestry | 2 | 15.65 | 17.56 | (1.91) |
| Industry | 154 | 6.24 | 6.38 | (0.15) |
| Mining and Quarrying | 4 | 2.54 | 5.09 | (2.54) |
| Manufacturing | 110 | 5.01 | 5.47 | (0.46) |
| Electricity, Gas and Water Supply | 15 | 1.96 | 2.37 | (0.41) |
| Construction | 25 | 14.53 | 13.13 | 1.39 |
| Services | 316 | 10.12 | 8.01 | 2.11 |
| Wholesale and Retail Trade and Related Services | 164 | 15.25 | 17.24 | (1.99) |
| Hotels and Restaurants | 12 | 15.54 | 3.69 | 11.85 |
| Transport, Storage and Communications | 26 | 3.17 | 2.92 | 0.25 |
| Financial Intermediation | 52 | 4.08 | 3.32 | 0.76 |
| Real Estate, Renting and Business Activities | 49 | 14.00 | 9.28 | 4.71 |
| Private Education Services | 2 | 0.77 | 1.55 | (0.77) |
| Health and Social Work (Private) | 5 | 6.75 | 6.48 | 0.27 |
| Other Community, Social and Personal Service Activities | 6 | 10.04 | 10.54 | (0.51) |

**Table 2 - ACCESSION AND SEPARATION RATES BY REASON
NATIONAL CAPITAL REGION: 1st QUARTER 2007**

| INDICATOR | Rate (%) |
|------------------------|-------------|
| Accession Rate | 9.21 |
| Due to Expansion | 1.57 |
| Due to Replacement | 7.64 |
| Separation Rate | 7.65 |
| Employee-Initiated | 3.11 |
| Employer-Initiated | 4.55 |