

MEMORANDUM

For : Secretary ARTURO D. BRION
Thru : Assistant Secretary REBECCA J. CALZADO
From : Director MA. CRISELDA R. SY
Re : Labor Turnover Statistics (2nd Quarter 2007)
Date : 28 September 2007

This report presents the highlights of the Second Quarter 2007 Labor Turnover Survey (LTS), which was conducted by the BLES from July to September 2007. The survey covered 493 sample enterprises (out of the target 500 samples) located in the National Capital Region that belong to the top 5,000 corporations in the Philippines. It aims to monitor the employment expansion or contraction among large enterprises by collecting quarterly data on accessions and separations of workers.

Accession Rate

- For the second quarter of 2007, accession rate was registered at 11.31%. Accessions are additions to employment during the quarter (*accession rate is derived by dividing total accessions by total employment*).
- By sector, real estate, renting and business activities recorded the highest accession rate at 18.59%. This was followed by construction (18.27%), wholesale and retail trade and related services (17.82%), hotels and restaurants (15.69%), and health and social work (15.31%). Electricity, gas and water (1.91%) had the lowest accession rate.
- By reason, accession due to replacement of separated workers and job quitters (9.14%) edged out accession due to expansion of business activities (2.17%).

Separation Rate

- During the same period, separation rate was posted at 7.75%. 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 reported in construction (17.44%), followed by wholesale and retail trade and related services (14.70%) and private education services (12.24%). The lowest separation rates were noted in mining and quarrying (1.14%) and electricity, gas and water supply (1.59%).
- By reason, employer-initiated separation (3.93%) slightly exceeded employee-initiated separation (3.82%).

Labor Turnover (Accessions vs. Separations)

- Overall, enterprises covered in this survey continued to experience employment growth as accession rate at 11.31% surpassed separation rate at 7.75%. This implies a growth rate of 3.57%, the highest ever recorded since the conduct of the survey in 2002. The growth means that employment of the sample enterprises increased by about 36 for every 1,000 employed.
- Growth in employment was noted in all but two (2) sectors. High growth rates (*accession rate less separation rate*) were recorded in hotels and restaurants (10.61%); health and social work (9.55%); and real estate, renting and business activities (9.30%). On the other hand, employment declined in private education services (-9.96%) and other community, social and personal service activities (-1.46%).

**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 2nd QUARTER 2007**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>493</u>	<u>11.31</u>	<u>7.75</u>	<u>3.57</u>
Agriculture, Fishery and Forestry	3	7.15	4.62	2.53
Industry	169	7.85	7.40	0.45
Mining and Quarrying	4	8.90	1.14	7.76
Manufacturing	124	6.06	5.76	0.30
Electricity, Gas and Water Supply	13	1.91	1.59	0.33
Construction	28	18.27	17.44	0.83
Services	321	12.41	7.88	4.52
Wholesale and Retail Trade and Related Services	164	17.82	14.70	3.13
Hotels and Restaurants	13	15.69	5.08	10.61
Transport, Storage and Communications	25	3.42	3.10	0.32
Financial Intermediation	48	5.14	3.89	1.25
Real Estate, Renting and Business Activities	55	18.59	9.30	9.30
Private Education Services	3	2.28	12.24	(9.96)
Health and Social Work (Private)	6	15.31	5.77	9.55
Other Community, Social and Personal Service Activities	7	7.67	9.13	(1.46)

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

INDICATOR	Rate (%)
Accession Rate	11.31
Due to Expansion	2.17
Due to Replacement	9.14
Separation Rate	7.75
Employee-Initiated	3.82
Employer-Initiated	3.93

**Table 1 - LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 3rd Qtr 2002 – 2nd Qtr 2007**

YEAR/QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
<u>2002</u>			
3 rd Quarter	5.96	6.19	(0.22)
4 th Quarter	5.98	5.07	0.91
<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>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>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>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>2007</u>			
1 st Quarter	9.21	7.65	1.56
2 nd Quarter	11.31	7.75	3.57

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