

MEMORANDUM

For : Secretary ARTURO D. BRION
Thru : Assistant Secretary REBECCA J. CALZADO
From : OIC-Director TERESA V. PERALTA
Re : Labor Turnover Statistics (3rd Quarter 2007)
Date : 2 January 2008

We are pleased to submit the results of the Third Quarter 2007 Labor Turnover Survey (LTS), which was conducted by the BLES from October to December 2007. The findings were based on the responses of the 484 NCR-based sample enterprises (out of the target 500 samples) that belong to the top 5,000 corporations in the Philippines. The survey 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 third quarter of 2007, **accession rate was recorded at 11.16%**. Accessions are additions to employment during the quarter (*accession rate is derived by dividing total accessions by total employment*).
- By sub-sector, **wholesale and retail trade and related services had the highest accession rate at 19.35%**. Hotels and restaurants followed with 18.60%. High accession rates were also noted in construction (16.39%), real estate, renting and business services (14.37%), and private education services (10.35%). The lowest accession rate was posted in electricity, gas and water supply (1.85%).
- By reason, **accession was still largely attributed to replacement of separated workers and job quitters at 9.35%**. Meanwhile, accession due to expansion of business activities was recorded at 1.81%.

Separation Rate

- **Separation rate was registered at 7.84%** during the same quarter. Separations are terminations of employment that occurred during the period (*separation rate is derived by dividing total separations by total employment*).

- By sub-sector, the **highest separation rates were observed in wholesale and retail trade and related services (17.20%) and construction (11.07%)**. These were followed by real estate, renting and business services (8.33%), other community, social and personal service activities (7.65%) and manufacturing (7.38%). Noteworthy is the sub-sector with the lowest accession rate is also the sub-sector with the lowest separation rate, i.e., electricity, gas and water supply (1.19%).
- By reason, employer-initiated separation (4.18%) was slightly higher than employee-initiated separation (3.66%).

Labor Turnover (Accessions vs. Separations)

- Overall, employment of enterprises continued to improve as accession rate at 11.16% edged out separation rate at 7.84% implying a **growth rate of 3.31%**. This means that during the third quarter of 2007, there was a net addition of 33 workers for every 1,000 employed in the enterprises covered in this survey.
- Employment grew in all but four (4) sub-sectors. The highest growth rates (*accession rate less separation rate*) was posted in hotels and restaurants (15.62%). Notable gains were also noted in private education services (7.26%), real estate, renting and business activities (6.04%), and construction (5.32%). On the other hand, the sub-sectors which experienced decline in employment were agriculture, fishery and forestry (-1.27%), health and social (-1.35%), transport, storage and communications (-0.72%), and manufacturing (-0.08%).
- By employment size, only those enterprises with 200 and over workers managed to maintain employment growth at 3.67%. The other groups had negative rates as follows: less than 20 workers, -34.46%; 20-49 workers, -3.30%; and 50-199 workers, -0.60%. (*Note: this portion was not included in the last report.*)

**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 3rd QUARTER 2007**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>484</u>	<u>11.16</u>	<u>7.84</u>	<u>3.31</u>
Agriculture, Fishery and Forestry	3	3.68	4.94	(1.27)
Industry	164	8.40	7.31	1.09
Mining and Quarrying	4	7.21	3.82	3.39
Manufacturing	117	7.30	7.38	(0.08)
Electricity, Gas and Water Supply	13	1.85	1.19	0.65
Construction	30	16.39	11.07	5.32
Services	317	12.07	8.04	4.03
Wholesale and Retail Trade and Related Services	160	19.35	17.20	2.15
Hotels and Restaurants	14	18.60	2.97	15.62
Transport, Storage and Communications	29	3.91	4.63	(0.72)
Financial Intermediation	50	5.00	4.38	0.62
Real Estate, Renting and Business Activities	47	14.37	8.33	6.04
Private Education Services	3	10.35	3.09	7.26
Health and Social Work (Private)	7	4.21	5.56	(1.35)
Other Community, Social and Personal Service Activities	7	7.79	7.65	0.14

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

INDICATOR	Rate (%)
Accession Rate	11.16
Due to Expansion	1.81
Due to Replacement	9.35
Separation Rate	7.84
Employee-Initiated	3.66
Employer-Initiated	4.18

**Table 1 - LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 3rd Qtr 2002 – 3rd 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
3 rd Quarter	11.16	7.84	3.31

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