

MEMORANDUM

For : Acting Secretary MARIANITO D. ROQUE

Thru : Undersecretary ARTURO L. SODUSTA
Assistant Secretary REBECCA J. CALZADO

From : Director CRISELDA R. SY

Re : Labor Turnover Statistics (4th Quarter 2007)

Date : 31 March 2008

We are pleased to submit the highlights of the Fourth Quarter 2007 Labor Turnover Survey (LTS), which was conducted by the BLES from January to March 2008. The data results were gathered from 489 sample establishments accounting for 97.8% of the target 500 firms randomly selected from the list of the top 5,000 corporations located in the National Capital Region. The survey's main objective is 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 recorded at 10.20%** in the fourth quarter of 2007. Accessions are additions to employment during the quarter (*accessions rate is derived by dividing total accessions by total employment*)
- By sub-sector, the **highest accession rate at 19.78% was posted in wholesale and retail trade and related services**. Construction came in second with 15.79% followed by real estate, renting and business activities (13.23%), agriculture, fishery and forestry (12.31%) and hotels and restaurants (10.76%). The least accession rate at 1.11% was posted in electricity, gas and water supply.
- By reason, **accession was mainly attributed to replacement of separated workers and job quitters at 8.00%** while only 2.20% was due to expansion of business activities.

Separation Rate

- During the same quarter, **separation rate was registered at 7.33%**. Separations are terminations of employment that occurred during the period (*separation rate is derived by dividing total separations by total employment*).
- Within the sub-sector, the **highest separation rate (16.04%) occurred in wholesale and retail trade and related services**. At far second was agriculture, fishery and forestry (11.33%) followed by construction (9.29%), other community, social and personal service activities (8.16%) and mining and quarrying (7.99%). Electricity, gas and water supply which posted the lowest accession rate, likewise, ended up with the lowest separation rate at 1.46%.
- Reason for separation was more of employer-initiated (4.23%) than employee-initiated (3.10%).

Labor Turnover (Accessions vs. Separations)

- Employment of large enterprises generally continued to improve as accession rate at 10.20% edged out separation rate at 7.33% indicating a **growth rate of 2.87%**. This means that during the fourth quarter of 2007, there was a net addition of about 29 workers for every 1,000 employed in the enterprises covered in this survey.
- **Employment grew positively** across all sub-sectors except for two (2). The highest growth rate (*accession rate less separation rate*) was posted in construction (6.50%). Notable gains were also recorded in real estate, renting and business activities (5.88%), hotels and restaurant (5.14%), wholesale and retail trade and related services (3.74%), and private education (3.11%). Transport, storage and communications recorded the least employment growth at 0.89%. However, employment declined in electricity, gas and water supply (-0.35%) and other community, social and personal service activities (-0.98%).

**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 4th QUARTER 2007**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>489</u>	<u>10.20</u>	<u>7.33</u>	<u>2.87</u>
Agriculture, Fishery and Forestry	3	12.31	11.33	0.98
Industry	161	8.95	7.11	1.84
Mining and Quarrying	4	9.47	7.99	1.47
Manufacturing	114	8.30	7.49	0.81
Electricity, Gas and Water Supply	13	1.11	1.46	(0.35)
Construction	30	15.79	9.29	6.50
Services	325	10.54	7.35	3.19
Wholesale and Retail Trade and Related Services	171	19.78	16.04	3.74
Hotels and Restaurants	14	10.76	5.62	5.14
Transport, Storage and Communications	27	3.00	2.12	0.89
Financial Intermediation	51	3.63	3.10	0.53
Real Estate, Renting and Business Activities	45	13.23	7.35	5.88
Private Education Services	3	5.04	1.93	3.11
Health and Social Work (Private)	6	5.87	3.95	1.93
Other Community, Social and Personal Service Activities	8	7.18	8.16	(0.98)

**Table 2 - ACCESSION AND SEPARATION RATES BY REASON
NATIONAL CAPITAL REGION: 4th QUARTER 2007**

INDICATOR	Rate (%)
Accession Rate	10.20
Due to Expansion	2.20
Due to Replacement	8.00
Separation Rate	7.33
Employee-Initiated	3.10
Employer-Initiated	4.23

**Table 3 - LABOR TURNOVER RATE BY YEAR AND QUARTER,
NATIONAL CAPITAL REGION: 3rd QTR. 2002 – 4th 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
4 th Quarter	10.20	7.33	2.87

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