

MEMORANDUM

For : Acting Secretary **DANILO P. CRUZ**
Thru : Assistant Secretary **ARTURO L. SODUSTA**
From : Director **MA. CRISELDA R. SY**
Re : **Labor Turnover Statistics Update (1st Quarter 2006)**
Date : **29 June 2006**

This report presents the results of the First Quarter 2006 Labor Turnover Survey (LTS) which was conducted by the BLES in the National Capital Region (NCR) from April to June 2006. The findings were based on the responses of the 469 sample firms, which represent 93.8 percent of the target 500 sample enterprises. The samples were drawn from the list of the top 3,300 corporations in Metro Manila in 2004, as listed by the Securities and Exchange Commission (SEC).

Overall Trend (*Table 1*)

1. During the first quarter of 2006, the employment of the country's top 3,300 corporations that are NCR-based remained stable. Measured in terms of turnover rate, employment grew by 0.77 percent as accession rate at 9.20 percent slightly edged separation rate at 8.43 percent. This figure represents an improvement from the 0.21 percent growth registered last year of the same quarter.

In absolute terms, the growth means that about 8 workers per 1,000 employed were added to the workforce of the enterprises covered in the survey, as 92 workers per 1,000 employed were hired while 84 workers per 1,000 employed were terminated or had quit their jobs.

Sector (*Table 2*)

2. All but two (2) sub-sectors recorded employment growth during the period with construction posting the highest at 26.53 percent. This was followed closely by agriculture, fishery and forestry at 26.43 percent.
3. Employment gains were also observed in hotels and restaurants (4.42%); real estate, renting and business activities (3.44%); mining and quarrying (1.63%); financial intermediation (1.56%); private education services (1.45%); and transport, storage and communications (1.25%). Other sub-sectors on health and social work; other community, social and personal service activities; and electricity, gas and water also recorded growth in employment though at less than one percent each.
4. On the other hand, employment cutback was experienced by wholesale and retail trade and related services (-5.62%) and manufacturing (-0.64%).

Reasons for Accessions and Separations (Table 2 and 3))

5. Accession was mainly attributed to replacement of separated workers and job quitters (7.38%). Accession due to expansion of business activities was posted at 1.82 percent.

The highest accession rate was recorded in construction (37.80%) followed by wholesale and retail trade and related services (18.26%); hotels and restaurants (14.34%); and real estate, renting and business activities (11.02%).

5. Separation was mostly employer-initiated (5.20%) and the rest employee-initiated (3.23%). It is worthy to note that the sub-sectors with the highest accession rates were also the same sub-sectors with the highest separation rates, i.e., wholesale and retail trade and related services (23.88%); construction (11.27%); hotels and restaurants (9.92%); and real estate, renting and business activities (7.58%).

Employment Size (Table 4)

6. Enterprises with 20 and more workers managed to register positive growth in employment during the period though at less than one percent. Only enterprises with less than 20 workers suffered decline in employment at -11.30%.
7. For your information.

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**Table 1 – LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 3rd Qtr 2002 – 1st Qtr 2006**

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

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

**Table 2 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 1st QUARTER 2006**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	469	9.20	8.43	0.77
Agriculture, Fishery & Forestry	2	31.09	4.66	26.43
Industry	173	7.69	6.00	1.69
Mining & Quarrying	6	3.75	2.12	1.63
Manufacturing	127	5.50	6.14	(0.64)
Electricity, Gas & Water Supply	21	1.87	1.79	0.08
Construction	19	37.80	11.27	26.53
Services	294	10.00	9.72	0.28
Wholesale and Retail Trade & Related Services	152	18.26	23.88	(5.62)
Hotels & Restaurants	12	14.34	9.92	4.42
Transport, Storage & Communications	37	7.09	5.84	1.25
Financial Intermediation	51	4.67	3.11	1.56
Real Estate, Renting & Business Activities	29	11.02	7.58	3.44
Education (Private)	2	5.80	4.35	1.45
Health & Social Work (Private)	3	5.95	5.03	0.92
Other Community, Social & Personal Service Activities	8	3.97	3.29	0.68

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

**Table 3 - ACCESSION AND SEPARATION RATES BY SECTOR
NATIONAL CAPITAL REGION: 1ST QUARTER 2006**

SECTOR	Accession Rate		Separation Rate	
	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<u>All Sectoral Groups</u>	<u>1.82</u>	<u>7.38</u>	<u>3.23</u>	<u>5.20</u>
Agriculture, Fishery & Forestry	31.09	0.00	4.66	0.00
Industry	2.00	5.69	2.44	3.56
Mining & Quarrying	1.63	2.12	1.63	0.49
Manufacturing	1.12	4.38	2.59	3.55
Electricity, Gas & Water Supply	0.09	1.78	1.42	0.37
Construction	13.40	24.40	2.60	8.67
Services	1.71	8.29	3.65	6.07
Wholesale and Retail Trade & Related Services	0.69	17.57	5.10	18.78
Hotels & Restaurants	3.30	11.04	2.41	7.51
Transport, Storage & Communications	0.41	6.69	3.86	1.97
Financial Intermediation	2.12	2.55	2.71	0.40
Real Estate, Renting & Business Activities	4.72	6.31	5.20	2.38
Private Education Services	4.35	1.45	4.35	0.00
Health & Social Work (Private)	3.02	2.94	3.70	1.33
Other Community, Social & Personal Service Activities	2.47	1.50	2.64	0.65

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

**Table 4 - LABOR TURNOVER RATE BY EMPLOYMENT SIZE,
NATIONAL CAPITAL REGION: 1ST QUARTER 2006**

EMPLOYMENT SIZE	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sizes</u>	<u>469</u>	<u>9.20</u>	<u>8.43</u>	<u>0.77</u>
Less than 20 workers	37	4.19	15.49	(11.30)
20 – 49	76	4.19	3.39	0.80
50 –199	172	8.46	7.86	0.60
200 and over	184	9.33	8.51	0.82

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