

MEMORANDUM

For : Secretary ARTURO D. BRION
Thru : Assistant Secretary ARTURO L. SODUSTA
From : Ms. TERESA V. PERALTA, Officer-in-Charge
Re : Labor Turnover Statistics Update (2nd Quarter 2006)
Date : 21 September 2006

We are pleased to submit the highlights of the Second Quarter 2006 Labor Turnover Survey (LTS) which was conducted by the BLES in the National Capital Region (NCR) from July to September 2006. The findings were based on 484 sample respondents, which represent 96.8 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. The top 3,300 NCR-based enterprises continued to record positive employment growth of 1.72 percent during the second quarter of 2006 as accession rate at 8.94 percent surpassed separation rate at 7.21 percent. However, the growth was slightly lower by 0.9 percentage point compared with the 2.61 percent growth reported in the same period a year ago.

In nominal terms, the growth means a net addition of 17 workers per 1,000 employed in the enterprises covered in the survey, as 89 workers per 1,000 employed were hired while 72 workers per 1,000 employed had quit or were separated from their jobs.

Sector *(Table 2)*

2. Growth in employment was registered in all but three (3) sub-sectors with the highest posted in agriculture sector at 7.25 percent. This was followed by construction and real estate, renting and business activities at 6.75 percent and 6.61 percent, respectively.
3. Employment growth was also observed in other community, social and personal service activities (4.36%); hotels and restaurants (2.42%); wholesale and retail trade and related services (1.55%); and financial intermediation (1.33%). Transport, storage and communications; electricity, gas and water; and mining and quarrying also gained in employment but at less than one percent each.

4. The sub-sectors that suffered employment decline were health and social work (-1.15%); private education services (-0.79%); and manufacturing (-0.17%).

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

5. Accession due to replacement of separated workers and job quitters (6.43%). continued to exceed accession due to expansion of business activities (2.51%).

Accession rate was recorded highest in construction (20.69%); wholesale and retail trade and related services (17.61%); real estate, renting and business activities (15.90%); other community, social and personal service activities (12.31%); and hotels and restaurants (12.24%).

6. Separation was still attributed to reasons initiated by employers (3.79%) though nearly the same proportion was employee-initiated (3.42%). It was noted that the same sub-sectors which posted the highest accession rates also have the highest separation rates as follows: wholesale and retail trade and related services (16.07%); construction (13.93%); hotels and restaurants (9.82%); real estate, renting and business activities (9.29%); and other community, social and personal service activities (7.95%).

Employment Size *(Table 4)*

7. Only enterprises employing 200 and more workers recorded gains in employment at 1.90 percent during the period. The rest of the employment size categories experienced job losses with labor turnover rates ranging from -8.18 percent to -0.03 percent.

For your information.

**Table 1 - LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 3rd Qtr 2002 - 2nd Qtr 2006**

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	(0.25)
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

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

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

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>484</u>	<u>8.94</u>	<u>7.21</u>	<u>1.72</u>
Agriculture, Fishery and Forestry	2	8.70	1.45	7.25
Industry	187	6.54	5.94	0.60
Mining and Quarrying	7	1.57	1.54	0.03
Manufacturing	140	5.51	5.68	(0.17)
Electricity, Gas and Water Supply	19	1.52	1.33	0.19
Construction	21	20.69	13.93	6.75
Services	295	10.25	7.92	2.33
Wholesale and Retail Trade and Related Services	150	17.61	16.07	1.55
Hotels and Restaurants	14	12.24	9.82	2.42
Transport, Storage and Communications	32	3.38	2.72	0.66
Financial Intermediation	47	5.08	3.75	1.33
Real Estate, Renting and Business Activities	37	15.90	9.29	6.61
Private Education Services	2	3.16	3.94	(0.79)
Health and Social Work (Private)	4	4.50	5.64	(1.15)
Other Community, Social and Personal Service Activities	9	12.31	7.95	4.36

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

**Table 3 - ACCESSION AND SEPARATION RATES BY SECTOR,
NATIONAL CAPITAL REGION: 2nd QUARTER 2006**

SECTOR	Accession Rate		Separation Rate	
	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<u>All Sectoral Groups</u>	<u>2.51</u>	<u>6.43</u>	<u>3.42</u>	<u>3.79</u>
Agriculture, Fishery and Forestry	1.45	7.25	1.45	0.00
Industry	2.28	4.26	3.00	2.94
Mining and Quarrying	0.91	0.66	0.91	0.63
Manufacturing	1.22	4.29	3.31	2.37
Electricity, Gas and Water Supply	0.10	1.43	0.91	0.42
Construction	12.62	8.07	3.52	10.41
Services	2.64	7.61	3.66	4.26
Wholesale and Retail Trade and Related Services	2.96	14.66	3.99	12.08
Hotels and Restaurants	5.33	6.92	4.22	5.60
Transport, Storage and Communications	1.10	2.27	2.18	0.54
Financial Intermediation	1.73	3.35	3.17	0.58
Real Estate, Renting and Business Activities	3.34	12.56	4.93	4.36
Private Education Services	1.47	1.69	3.16	0.79
Health and Social Work (Private)	0.29	4.20	4.52	1.12
Other Community, Social and Personal Service Activities	2.44	9.87	3.27	4.68

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

**Table 4 - LABOR TURNOVER RATE BY EMPLOYMENT SIZE,
NATIONAL CAPITAL REGION: 2nd QUARTER 2006**

EMPLOYMENT SIZE	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sizes</u>	<u>484</u>	<u>8.94</u>	<u>7.21</u>	<u>1.72</u>
Less than 20 workers	8	2.73	10.91	(8.18)
20 – 49	84	4.70	5.15	(0.45)
50 –199	197	7.24	7.27	(0.03)
200 and over	195	9.13	7.23	1.90

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