

MEMORANDUM

For : Secretary ARTURO D. BRION
Thru : Assistant Secretary REBECCA J. CALZADO
From : Director MA. CRISELDA R. SY
Re : Labor Turnover Statistics (4th Quarter 2006)
Date : 02 April 2007

We are pleased to submit the highlights of the Fourth Quarter 2006 Labor Turnover Survey (LTS), which covered 479 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

- **Accession rate** was registered at 8.91% in the fourth quarter of 2006. Accessions are additions to employment during the quarter (*accession rate is derived by dividing total accessions by total employment*).
- By sector, the highest accession rates were noted in construction (23.80%), wholesale and retail trade (19.05%), and real estate, renting and business activities (17.57%). The lowest accession rates were in mining and quarrying (1.09%) and electricity, gas and water supply (0.75%).
- By reason, accession due to replacement of separated workers edged out accession due to expansion of business activities (5.37% vs. 3.55%).

Separation Rate

- Separation rate was posted at 7.27% 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 sector, wholesale and retail trade reported the highest separation rate (17.60%) followed by construction (12.45%) and real estate, renting and business activities (10.69%). The lowest separation rates were recorded in private education services (1.04%) and electricity, gas and water supply (0.73%).

- By reason, employer-initiated separation (4.26%) surpassed employee-initiated separation (3.00%).

Labor Turnover (Accessions vs. Separations)

- Overall, large enterprises covered in this survey continued to experience improvement in employment as accession rate at 8.91% exceeded separation rate at 7.27%. This implies a growth rate of 1.64% which means a net addition of 16 workers for every 1,000 employed.
- The sector which recorded the highest growth rate (*accession rate less separation rate*) was construction (11.35%) followed by real estate, renting and business activities (6.88%), and hotels and restaurants (4.10%). On the other hand, four (4) sectors experienced high separation rate than accession rate and thus registered a decline in employment, namely: transport, storage and communications (-1.17%), mining and quarrying (-0.77%), manufacturing (-0.40%), and private health and social work (-0.22%).

**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 4th QUARTER 2006**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>479</u>	<u>8.91</u>	<u>7.27</u>	<u>1.64</u>
Agriculture, Fishery and Forestry	2	8.11	6.76	1.35
Industry	182	6.71	5.49	1.22
Mining and Quarrying	7	1.09	1.86	(0.77)
Manufacturing	138	4.70	5.10	(0.40)
Electricity, Gas and Water Supply	17	0.75	0.73	0.02
Construction	20	23.80	12.45	11.35
Services	295	10.09	8.22	1.87
Wholesale and Retail Trade and Related Services	151	19.05	17.60	1.45
Hotels and Restaurants	12	13.89	9.79	4.10
Transport, Storage and Communications	30	2.46	3.63	(1.17)
Financial Intermediation	47	3.36	2.95	0.41
Real Estate, Renting and Business Activities	36	17.57	10.69	6.88
Private Education Services	3	2.14	1.04	1.10
Health and Social Work (Private)	6	3.62	3.84	(0.22)
Other Community, Social and Personal Service Activities	10	8.38	7.03	1.35

**Table 2 - ACCESSION AND SEPARATION RATES BY REASON
NATIONAL CAPITAL REGION: 4th QUARTER 2006**

INDICATOR	Rate (%)
Accession Rate	8.91
Due to Expansion	3.55
Due to Replacement	5.37
Separation Rate	7.27
Employee-Initiated	3.00
Employer-Initiated	4.26