

MEMORANDUM

For : Secretary PATRICIA A. STO. TOMAS

Thru : Undersecretary BENEDICTO ERNESTO R. BITONIO, JR.

From : OIC-Director MANUEL L. LAOPAO

Re : Labor Turnover Statistics Update (1st Quarter 2005)

Date : 5 July 2005

We are pleased to submit the highlights of the First Quarter 2005 Labor Turnover Survey (LTS) conducted by the BLES in the National Capital Region (NCR) from April to June 2005. The results were based on the data provided by 491 sample firms, which represent 98.20 percent of the target 500 sample enterprises. The samples were drawn from the list of the top 3,300 corporations in Metro Manila in 2003, as listed by the Securities and Exchange Commission (SEC).

Overall Trend *(Table 1)*

1. Employment in NCR-based top 3,300 corporations remained stable registering a positive though less than one percent growth rate of 0.21 percent during the first three months of 2005. Overall, accession rate at 7.91 percent was slightly higher than separation rate at 7.70 percent.

In nominal terms, the growth means that there was an addition of about 2 workers per 1,000 employed in the workforce of the enterprises included in the survey, as 79 workers per 1,000 employed were hired while 77 workers per 1,000 employed were terminated or quit their jobs.

Sector

2. During the quarter, all but four (4) sub-sectors registered growth in employment. Mining and quarrying posted the highest growth at 5.52 percent. This was followed by construction and hotels and restaurants at 3.55 percent and 3.48 percent, respectively.
3. Employment gains were also recorded in transport, storage and communications (1.51%), other community, social and personal service activities (1.36%), agriculture, fishery and forestry (1.18%), financial intermediation (0.88%) and manufacturing (0.26%).

4. Meanwhile, job losses occurred in private education (-5.31%), wholesale and retail trade (3.96%) and real estate, renting and business activities (-1.36%). Slight decline in employment was posted in electricity, gas and water (-0.63%).

Reasons for Accession and Separation

Accession and Separation Rates (%)

Period Covered	Accession Rate	Due to Expansion	Due to Replacement	Separation Rate	Employee-Initiated	Employer-Initiated
1 st Quarter 2005	7.91	1.60	6.31	7.70	3.16	4.55

5. Accession due to replacement of separated workers and job quitters (6.31%) still surpassed accession due to expansion of business activities (1.60%). The highest accession rates were noted in construction (17.15%) and wholesale and retail trade (16.80%) followed by transport, storage and communications (9.87%).
6. Separation rate was mostly employer-initiated (4.55%) although a sizable proportion was employee-initiated (3.16%). Enterprises engaged in wholesale and retail trade recorded the highest separation rate (20.76%) followed by construction (13.59%).

Employment Size (Table 2)

7. Medium and large enterprises with 50 or more workers managed to register employment gains at 0.42 percent and 0.22 percent, respectively. Decrease in employment occurred mainly in firms with 20-49 workers (-1.99%) while those with less than 20 workers showed negligible decline at 0.04 percent.
8. For your information.

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5 July 2005

**Table 1 – LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 1st QUARTER 2005**

Sector	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>491</u>	<u>7.91</u>	<u>7.70</u>	<u>0.21</u>
Agriculture, Fishery & Forestry	1	3.53	2.35	1.18
Industry	170	5.04	4.32	0.72
Mining & Quarrying	4	5.86	0.34	5.52
Manufacturing	141	4.44	4.18	0.26
Electricity, Gas & Water Supply	11	1.02	1.65	(0.63)
Construction	14	17.15	13.59	3.55
Services	320	9.34	9.39	(0.05)
Wholesale and Retail Trade & Related Services	154	16.80	20.76	(3.96)
Hotels & Restaurants	18	8.86	5.39	3.48
Transport, Storage & Communications	37	9.87	8.35	1.51
Financial Intermediation	62	3.80	2.92	0.88
Real Estate, Renting & Business Activities	35	6.86	8.22	(1.36)
Education (Private)	3	3.66	8.97	(5.31)
Health & Social Work (Private)	-	-	-	-
Other Community, Social & Personal Service Activities	11	4.28	2.92	1.36

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

**Table 2 – LABOR TURNOVER RATE BY EMPLOYMENT SIZE,
NATIONAL CAPITAL REGION: 1st QUARTER 2005**

Employment Size	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sizes</u>	<u>491</u>	<u>7.91</u>	<u>7.70</u>	<u>0.21</u>
Less than 20 workers	47	2.74	2.78	(0.04)
20 – 49	83	6.24	8.23	(1.99)
50 – 199	159	6.30	5.88	0.42
200 and over	202	8.15	7.93	0.22

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

**Table 3– LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 2002 (3rd quarter) – 2005 (1st quarter)**

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

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

1st Quarter 2005

Indicator	Rate
Accession Rate	
Due to Expansion	
Due to Replacement	
Separation Rate	
Employee-Initiated	
Employer-Initiated	