

MEMORANDUM

For : Secretary PATRICIA A. STO. TOMAS
Thru : Assistant Secretary MA. ANTHONETTE V. ALLONES
From : OIC-Director EDITHA B. RIVERA
Re : Labor Turnover Statistics Update (2nd Quarter 2005)
Date : 9 September 2005

We are pleased to submit the highlights of the Second Quarter 2005 Labor Turnover Survey (LTS) conducted by the BLES in the National Capital Region (NCR) from July to September 2005. The results were based on the information provided by the 496 responding firms representing 99.2 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. The top 3,300 corporations located in NCR registered a positive growth in employment during the 2nd quarter of 2005. Measured in terms of labor turnover rate, accession rate at 9.95 percent surpassed separation rate at 7.34 percent, implying an employment growth of 2.61 percent. This is the highest ever recorded since the conduct of the survey in 2002.

In absolute terms, the growth means that the workforce of the enterprises covered in the survey expanded by about 26 workers per 1,000 employed, as 100 workers per 1,000 employed were hired while 73 workers per 1,000 employed had quit or were terminated from their jobs.

Sector

2. All but two (3) sub-sectors registered growth in employment during the 2nd quarter of the year. The highest growth was recorded in private education services at 11.34 percent followed by hotels and restaurants and construction at 10.32 percent and 6.20 percent, respectively.
3. Notable gains were also observed in wholesale and retail trade (4.48%); other community, social and personal service activities (3.43%); financial intermediation (1.81%); and transport, storage and communications (1.30%). Employment in

manufacturing; electricity, gas and water; and real estate, renting and business services also grew but at less than one percent each. Meanwhile, employment level remained unchanged in agriculture, fishery and forestry.

4. On the other hand, mining and quarrying which posted the highest growth in the 1st quarter of 2005, experienced job setback during the period at 6.72%. Employment decline also occurred in health and social work (-1.62%).

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
2 nd Quarter 2005	9.95	2.07	7.88	7.34	3.61	3.73

5. Accession rate was primarily attributed to replacement of separated workers and job quitters (7.88%). Enterprises in hotels and restaurants (25.22%); private education services (24.59%); and wholesale and retail trade (20.50%) registered the highest accession rates.
6. Separation rate was mostly employer-initiated (3.73%), although almost the same proportion was employee-initiated (3.61%). The highest separation rates were shown in wholesale and retail trade (16.02%), hotels and restaurants (14.90%) and private education services (13.25%).

Employment Size (Table 2)

7. During the period, only enterprises with 200 or more workers (2.92%) exhibited employment gain. The rest suffered slump in employment ranging from -0.56 percent to -2.54 percent.
8. For your information.

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**Table 1 – LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 2nd QUARTER 2005**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>496</u>	<u>9.95</u>	<u>7.34</u>	<u>2.61</u>
Agriculture, Fishery & Forestry	1	0.00	0.00	0.00
Industry	175	5.41	4.62	0.79
Mining & Quarrying	3	0.44	7.16	(6.72)
Manufacturing	146	5.34	4.71	0.63
Electricity, Gas & Water Supply	11	1.46	0.82	0.64
Construction	15	13.94	7.74	6.20
Services	320	12.18	8.68	3.50
Wholesale and Retail Trade & Related Services	156	20.50	16.02	4.48
Hotels & Restaurants	17	25.22	14.90	10.32
Transport, Storage & Communications	37	6.21	4.91	1.30
Financial Intermediation	60	4.93	3.12	1.81
Real Estate, Renting & Business Activities	34	6.22	5.45	0.77
Education (Private)	4	24.59	13.25	11.34
Health & Social Work (Private)	1	5.50	7.12	(1.62)
Other Community, Social & Personal Service Activities	11	5.63	2.20	3.43

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

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

EMPLOYMENT SIZE	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sizes</u>	<u>496</u>	<u>9.95</u>	<u>7.34</u>	<u>2.61</u>
Less than 20 workers	31	1.58	2.90	(1.32)
20 – 49	79	7.08	9.62	(2.54)
50 – 199	180	5.77	6.33	(0.56)
200 and over	206	10.33	7.40	2.92

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

**Table 3 – LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 3rd Qtr 2002 – 2nd Qtr 2005**

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

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