

## MEMORANDUM

**For** : Secretary PATRICIA A. STO. TOMAS  
**Thru** : Assistant Secretary ARTURO L. SODUSTA  
**From** : Director MA. CRISELDA R. SY  
**Re** : Labor Turnover Statistics Update (3rd Quarter 2005)  
**Date** : 14 December 2005

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This report contains the highlights of the Third Quarter 2005 Labor Turnover Survey (LTS) conducted by the BLES in the National Capital Region (NCR) from October to November 2005. The results were based on the responses of the 492 sample firms, which represent 98.6 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 of the country's top 3,300 corporations based in NCR almost remained unchanged during the 3<sup>rd</sup> quarter of 2005. Measured in terms of labor turnover rate, accession rate was registered at 8.47 percent as against separation rate at 8.55 percent, implying a negligible employment decline of 0.08 percent.

**In nominal terms, the decline means that there is a reduction of 1 worker per 1,000 employed in the enterprises covered in the survey**, as 85 workers per 1,000 employed were hired while 86 workers per 1,000 employed were terminated or had quit their jobs.

### **Sector**

2. During the period, positive growth in employment was recorded in five (5) sub-sectors with private health and social work posting the highest at 2.11 percent. This was followed by real estate, renting and business activities (2.09%); transport, storage and communications (1.67%); financial intermediation (1.26%); and mining and quarrying (0.86%).
3. On the other hand, four (4) sub-sectors showed considerable decline in employment, i.e., other community, social and personal service activities (-6.67%); construction (-6.42%); private education (-3.94%); and wholesale and retail trade and related

services (-1.52%). Marginal decline in employment was observed in the rest of the sub-sectors.

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

5. Accession rate was largely brought about by replacement of separated workers and job quitters (6.34%). Accession rate due to expansion of business activity was posted at 2.13 percent.

High accession rates were registered in wholesale and retail trade and related services (23.47%); private health and social work (10.64%); and construction (9.47%).

6. Separation rate was mostly employer-initiated (5.15%), although a substantial share was employee-initiated (3.40%). The highest separation rates were observed in wholesale and retail trade (24.99%); construction (15.89%); and other community, social and personal service activities (12.72%).

### **Employment Size** *(Table 3)*

7. Only enterprises with 200 or more workers managed to sustain employment gain during the period though at less than one percent. The rates for other employment size groupings were negative ranging from -0.70 percent to -1.86 percent.

8. For your information.

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*14 December 2005*

**Table 1 - LABOR TURNOVER RATE BY SECTOR,  
NATIONAL CAPITAL REGION: 3<sup>rd</sup> QUARTER 2005**

SECTOR	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<b><u>All Sectoral Groups</u></b>	<b><u>492</u></b>	<b><u>8.47</u></b>	<b><u>8.55</u></b>	<b><u>(0.08)</u></b>
Agriculture, Fishery & Forestry	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Industry	<b>177</b>	<b>4.73</b>	<b>5.44</b>	<b>(0.71)</b>
Mining & Quarrying	3	2.65	1.79	0.86
Manufacturing	147	4.92	5.16	(0.23)
Electricity, Gas & Water Supply	10	0.62	1.23	(0.61)
Construction	17	9.47	15.89	(6.42)
Services	<b>315</b>	<b>10.38</b>	<b>10.14</b>	<b>0.25</b>
Wholesale and Retail Trade & Related Services	156	23.47	24.99	(1.52)
Hotels & Restaurants	16	7.92	8.12	(0.20)
Transport, Storage & Communications	32	6.85	5.19	1.67
Financial Intermediation	59	4.44	3.18	1.26
Real Estate, Renting & Business Activities	34	7.87	5.77	2.09
Education (Private)	4	4.19	8.14	(3.94)
Health & Social Work (Private)	2	10.64	8.53	2.11
Other Community, Social & Personal Service Activities	12	6.04	12.72	(6.67)

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

**Table 2 - ACCESSION AND SEPARATION RATES BY SECTOR  
NATIONAL CAPITAL REGION: 2<sup>nd</sup> QUARTER 2005**

SECTOR	Accession Rate		Separation Rate	
	Expansion	Replacement	Employee-Initiated	Employer-Initiated
<b><u>All Sectoral Groups</u></b>	<b><u>2.13</u></b>	<b><u>6.34</u></b>	<b><u>3.40</u></b>	<b><u>5.15</u></b>
<b>Agriculture, Fishery &amp; Forestry</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Industry</b>	<b>1.45</b>	<b>3.28</b>	<b>2.43</b>	<b>3.02</b>
Mining & Quarrying	0.06	2.58	0.19	1.59
Manufacturing	1.44	3.49	2.79	2.37
Electricity, Gas & Water Supply	0.03	0.59	0.95	0.29
Construction	4.25	5.22	1.87	14.02
<b>Services</b>	<b>2.48</b>	<b>7.90</b>	<b>3.89</b>	<b>6.24</b>
Wholesale and Retail Trade & Related Services	4.17	19.30	5.28	19.71
Hotels & Restaurants	1.14	6.78	4.26	3.86
Transport, Storage & Communications	2.13	4.73	3.75	1.44
Financial Intermediation	1.50	2.93	2.69	0.48
Real Estate, Renting & Business Activities	4.28	3.59	3.48	2.30
Private Education Services	1.27	2.92	6.48	1.65
Health & Social Work (Private)	3.36	7.28	8.45	0.08
Other Community, Social & Personal Service Activities	4.31	1.73	3.68	9.04

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

**Table 3 - LABOR TURNOVER RATE BY EMPLOYMENT SIZE,  
NATIONAL CAPITAL REGION: 3<sup>rd</sup> QUARTER 2005**

EMPLOYMENT SIZE	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<b><u>All Sizes</u></b>	<b><u>492</u></b>	<b><u>8.47</u></b>	<b><u>8.55</u></b>	<b><u>(0.08)</u></b>
Less than 20 workers	30	2.22	2.96	(0.74)
20 – 49	87	4.47	5.17	(0.70)
50 –199	171	5.72	7.57	(1.86)
200 and over	204	8.75	8.68	0.08

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

**Table 4 – LABOR TURNOVER RATE BY QUARTER,  
NATIONAL CAPITAL REGION: 3<sup>rd</sup> Qtr 2002 – 2<sup>nd</sup> Qtr 2005**

QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
<b><u>2002</u></b>			
3 <sup>rd</sup> Quarter	5.96	6.19	(0.22)
4 <sup>th</sup> Quarter	5.98	5.07	0.91
<b><u>2003</u></b>			
1 <sup>st</sup> Quarter	6.12	6.06	0.06
2 <sup>nd</sup> Quarter	6.85	6.70	0.15
3 <sup>rd</sup> Quarter	6.52	7.92	(1.40)
4 <sup>th</sup> Quarter	7.79	6.38	1.42
<b><u>2004</u></b>			
1 <sup>st</sup> Quarter	5.88	6.11	(0.25)
2 <sup>nd</sup> Quarter	7.34	5.47	1.87
3 <sup>rd</sup> Quarter	8.16	6.53	1.63
4 <sup>th</sup> Quarter	7.12	6.23	0.89
<b><u>2005</u></b>			
1 <sup>st</sup> Quarter	7.91	7.70	0.21
2 <sup>nd</sup> Quarter	9.95	7.34	2.61
3 <sup>rd</sup> Quarter	8.47	8.55	(0.08)

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