

MEMORANDUM

For : Secretary PATRICIA A. STO. TOMAS

Thru : Assistant Secretary BENEDICTO ERNESTO R. BITONIO, JR.

From : OIC-Director EDITHA B. RIVERA

Re : Labor Turnover Statistics Update (3rd Quarter 2004)

Date : 29 November 2004

We are pleased to submit the highlights of the Third Quarter 2004 Labor Turnover Survey (LTS) conducted by the BLES in the National Capital Region (NCR) from September to November 2004. The results were based on the responses of 485 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 2002, as listed by the Securities and Exchange Commission (SEC).

Overall Trend

1. **The country's top 3,300 corporations based in NCR remained stable during the third quarter of the year.** Accession rate was placed at 8.16 percent as against separation rate at 6.53 percent, implying an **employment growth of 1.63 percent during the period.**

In absolute terms, the growth means that about 16 workers per 1,000 employed were added to the employment of the enterprises covered by this survey, as 82 workers per 1,000 employed were hired while 65 workers per 1,000 employed quit or were terminated from their jobs.

Sector

2. Employment growth was recorded in all but three (3) sub-sectors. Construction registered the highest growth at 8.39 percent followed by real estate, renting and business activities at 5.78 percent. Substantial growth rates were also noted in hotels and restaurants (2.66%); private health and social work (2.51%); wholesale and retail trade (2.37%); private education services (2.34%); and electricity, gas and water supply (1.25%).

3. Manufacturing and financial intermediation posted a nearly one percent growth in employment at 0.90 percent and 0.82 percent, respectively. On the other hand, marginal decline in employment was observed in mining and quarrying (-0.39%) and transport, storage and communications (-0.24%).

Reasons for Accession and Separation

4. Accession rate was primarily traced to replacement of separated workers and job quitters (6.05%). The rate of accession due to expansion was recorded at 2.11 percent. The highest accession rates were reported in construction (18.37%), wholesale and retail trade and related services (18.20%), real estate and renting and business activities (13.17%), hotels and restaurants (12.16%) and other community, social and personal service activities (10.93%).

Accession Rate

Period	Accession Rate (%)	Due to Expansion (%)	Due to Replacement (%)
3 rd Quarter 2004	8.16	2.11	6.05

5. Separation rate was mostly employer-initiated (3.79%), while a sizeable proportion (2.74%) was employee-initiated. Notable separation rates were observed in wholesale and retail trade (15.84%), other community, social and personal service activities (10.62%), construction (9.98%) and hotels and restaurants (9.49%)..

Separation Rate

Period Covered	Separation Rate (%)	Employee-Initiated (%)	Employer-Initiated (%)
3 rd Quarter 2003	6.53	2.74	3.79

Employment Size (Table 2)

6. Growth in employment was registered in enterprises with 200 and more workers at 1.82 percent and those with 20 to 49 workers at 0.48 percent. Meanwhile, firms with less than 20 workers and those with 50 to 199 workers experienced employment setback at 6.62% and 0.55%, respectively.
7. For your information.

**Table 1 – LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 3rd QUARTER 2004**

Sector	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>485</u>	<u>8.16</u>	<u>6.53</u>	<u>1.63</u>
Agriculture, Fishery & Forestry	0	0.00	0.00	0.00
Industry	171	5.91	4.31	1.60
Mining & Quarrying	3	2.66	3.06	(0.39)
Manufacturing	137	5.04	4.14	0.90
Electricity, Gas & Water Supply	14	2.03	0.78	1.25
Construction	17	18.37	9.98	8.39
Services	314	9.21	7.56	1.65
Wholesale and Retail Trade & Related Services	150	18.20	15.84	2.37
Hotels & Restaurants	14	12.16	9.49	2.66
Transport, Storage & Communications	29	6.69	6.94	(0.24)
Financial Intermediation	62	3.34	2.52	0.82
Real Estate, Renting & Business Activities	44	13.17	7.39	5.78
Education (Private)	2	3.35	1.01	2.34
Health & Social Work (Private)	5	8.59	6.08	2.51
Other Community, Social & Personal Service Activities	8	10.93	10.62	0.31

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

**Table 2 – LABOR TURNOVER RATE BY EMPLOYMENT SIZE,
NATIONAL CAPITAL REGION: 3rd QUARTER 2004**

Employment Size	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sizes</u>	<u>485</u>	<u>8.16</u>	<u>6.53</u>	<u>1.63</u>
Less than 20 workers	30	1.96	8.58	(6.62)
20 – 49	85	4.84	4.35	0.48
50 – 199	166	7.72	8.27	(0.55)
200 and over	204	8.24	6.42	1.82

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

