

MEMORANDUM

For : Secretary PATRICIA A. STO. TOMAS
Thru : Undersecretary BENEDICTO ERNESTO R. BITONIO, JR.
From : OIC-Director EDITHA B. RIVERA
Re : Labor Turnover Statistics Update (4th Quarter 2004)
Date : 21 March 2005

We are pleased to submit the highlights of the Fourth Quarter 2004 Labor Turnover Survey (LTS) conducted by the BLES in the National Capital Region (NCR) from January to March 2005. The results were based on the responses of 495 sample firms, which represent 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 2002, as listed by the Securities and Exchange Commission (SEC).

Overall Trend *(Table 1)*

1. The country's top 3,300 corporations located in NCR continued to register positive though less than one percent growth in employment during the last quarter of the year. Measured in terms of labor turnover rates, accession rate at 7.12 percent slightly edged separation rate at 6.23 percent implying an employment growth of 0.89 percent.

In absolute terms, the growth means that the workforce of the enterprises covered by the survey expanded by about 9 workers per 1,000 employed, as 71 workers per 1,000 employed were hired while 62 workers per 1,000 employed were separated from their jobs due to quits or terminations.

Sector

2. Employment growth during the quarter was mainly concentrated in the services sector. The highest growth rate was recorded in real estate, renting and business activities at 3.55 percent followed closely by wholesale and retail trade at 3.33 percent.
3. Gains in employment were also noted in hotels and restaurants (2.19%) and transport, storage and communications (1.82%). Similarly, construction and other community, social and personal service activities registered a nearly one percent

growth at 0.91 percent and 0.82 percent, respectively. Meanwhile, employment level was unchanged in private health and social work.

- The minimal increase in employment during the quarter was attributed primarily to the job setbacks experienced in private education (-10.84%) and in the industry sector particularly mining and quarrying (-7.87%). Likewise, marginal declines in employment was posted in manufacturing (-0.34%) and electricity, gas and water (-0.24%).

Reasons for Accession and Separation

- Accession due to replacement of separated workers and job quitters (5.07%) continued to exceed accession due to expansion of business activities (2.05%). High accession rate was recorded in wholesale and retail trade (17.76%); construction (15.76%); and other community, social and personal service activities (12.28%).

Accession Rate

Period	Accession Rate (%)	Due to Expansion (%)	Due to Replacement (%)
4 th Quarter 2004	7.12	2.05	5.07

- Employer-initiated separation was again higher at 4.04 percent than employee-initiated separation at 2.20 percent. Separation rate was highest in construction (14.85%); private education (14.70%); wholesale and retail trade (14.44%); and other community, social and personal service activities (11.46%).

Separation Rate

Period Covered	Separation Rate (%)	Employee-Initiated (%)	Employer-Initiated (%)
4 th Quarter 2004	6.23	2.20	4.04

Employment Size (Table 2)

- Enterprises with 200 and more workers and those with less than 20 workers showed growth in employment at 1.07 percent and 0.26 percent, respectively. On the other hand, decrease in employment was recorded in firms with 20-49 workers (-5.91%) and those with 50 to 199 workers (-0.40%).

**Table 1 – LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 4th QUARTER 2004**

Sector	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>495</u>	<u>7.12</u>	<u>6.23</u>	<u>0.89</u>
Agriculture, Fishery & Forestry ¹	0	-	-	-
Industry	179	4.65	5.11	(0.46)
Mining & Quarrying	3	0.98	8.85	(7.87)
Manufacturing	144	3.95	4.29	(0.34)
Electricity, Gas & Water Supply	14	0.42	0.65	(0.24)
Construction	18	15.76	14.85	0.91
Services	316	8.24	6.74	1.50
Wholesale and Retail Trade & Related Services	151	17.76	14.44	3.33
Hotels & Restaurants	13	7.76	5.57	2.19
Transport, Storage & Communications	29	6.13	4.31	1.82
Financial Intermediation	64	2.76	2.68	0.08
Real Estate, Renting & Business Activities	45	8.85	5.30	3.55
Education (Private)	2	3.86	14.70	(10.84)
Health & Social Work (Private)	5	4.97	4.97	0.00
Other Community, Social & Personal Service Activities	7	12.28	11.46	0.82

1 One sample was deemed out of scope during the survey period.

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

**Table 2 – LABOR TURNOVER RATE BY EMPLOYMENT SIZE,
NATIONAL CAPITAL REGION: 4th QUARTER 2004**

Employment Size	Number of Samples	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sizes</u>	<u>495</u>	<u>7.12</u>	<u>6.23</u>	<u>0.89</u>
Less than 20 workers	28	6.08	5.82	0.26
20 – 49	91	3.56	9.47	(5.91)
50 – 199	173	7.32	7.72	(0.40)
200 and over	203	7.15	6.08	1.07

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

**Table 3– LABOR TURNOVER RATE BY QUARTER,
NATIONAL CAPITAL REGION: 2002 (third quarter) – 2004 (third 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

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