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LABOR TURNOVER STATISTICS: First Quarter 2009 (IN LARGE ENTERPRISES IN METRO-MANILA)



The Labor Turnover Survey (LTS) is a quarterly sample survey of enterprises conducted by the Bureau of Labor and Employment Statistics since the third quarter of 2002. The survey aims to capture "job creations" and "job displacements" in large business enterprises based in Metro-Manila by collecting quarterly data on accessions and separations of workers.

The number of respondents was composed of about 700 large enterprises in Metro-Manila which were drawn from the 2007 List of the Philippines Top 8,000 Corporations of the Securities and Exchange Commission. (Retrieval rate for the first quarter of 2009 was 96.19% or 681 sample enterprises). Survey data from 2008 onwards are no longer sample rates but are weighted to come up with population estimates. Hence, data are not comparable with the previous data series.

Accession Rate

- **Accession rate was registered at 9.3%** in the first quarter of 2009. Accessions are additions to employment during the quarter. *Accession rate is derived by dividing total accession by total employment.*
- By sub-sector, **construction yielded the highest accession rate at 23.2%**. Mining and quarrying came in second at 17.0% followed by wholesale and retail trade and related services (16.7%) and other community, social and personal service activities (12.2%). Meanwhile, the lowest accession rates were in financial intermediation (2.9%) and private education services (1.0%).

- By reason, **accession due to replacement of separated workers and job quitters (6.3%) still surpassed** accession due to expansion of business activities (3.0%).

Separation Rate

- **During the same period, separation rate was posted at 9.0%**. Separations are terminations of employment or quits that occurred during the period. *Separation rate is derived by dividing total separations by total employment.*
- By sub-sector, **the highest separation rate was recorded in wholesale and retail trade and related services at 16.4%** followed by mining and quarrying (14.6%). Other sub-sectors

which suffered high separation rates were other community, social and personal service activities (11.6%), manufacturing (11.2%) and real estate, renting and business activities (9.6%). On the other hand, fishing (1.1%) registered the lowest separation rate together with private education services (1.3%).

- By reason, employee-initiated separations (4.6%) slightly exceeded employer-initiated separations (4.4%).

Labor Turnover (Accessions vs. Separations)

- **Overall, employment growth as measured by labor turnover rates in large enterprises covered in this survey was posted at less than one percent (0.3%) in the first quarter of 2009** as accession rate (9.3%) barely edged out separation rate (9.0%). This is the second time that net turnover rate was down to less than one percent since 2007. This figure implies that there was a net addition of only 3 workers per 1,000 employed in these enterprises.

The low turnover rate is reflective of the slowdown in the domestic economy as gross domestic product (GDP) in the first three months of 2009 grew by only 0.4% year-on-year due to the global economic turmoil.

- Growth in employment occurred in six (6) sub-sectors. The highest was observed in construction (15.0%) while modest growth rates were noted in hotels and restaurants (3.3%); fishing (3.0%); mining and quarrying (2.4%); private health and social work (1.2%); and agriculture, hunting and forestry (1.1%). Growth was about unchanged in wholesale and retail trade and related services (0.3%) and other community, social and personal service activities (0.6%).
- Meanwhile, employment declines were observed in six (6) sub-sectors, namely: real estate, renting and business activities (-1.8%); transport, storage and communications (-1.6%); manufacturing (-1.4%); electricity, gas and water supply (-0.5%); financial intermediation (-0.4%); and private education services (-0.3%).

**Table 1 - LABOR TURNOVER RATE BY SECTOR,
NATIONAL CAPITAL REGION: 1st QUARTER 2009**

SECTOR	Number of Enterprises	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<u>All Sectoral Groups</u>	<u>2,845</u>	<u>9.29</u>	<u>9.02</u>	<u>0.27</u>
Agriculture, Fishery and Forestry	18	3.64	1.57	2.07
Agriculture, Hunting and Forestry	10	3.22	2.09	1.13
Fishing	8	4.04	1.07	2.97
Industry	773	13.41	10.02	3.39
Mining and Quarrying	19	17.00	14.63	2.37
Manufacturing	578	9.82	11.20	(1.38)
Electricity, Gas and Water Supply	26	3.05	3.57	(0.53)
Construction	150	23.16	8.19	14.98
Services	2,054	8.13	8.80	(0.67)
Wholesale and Retail Trade and Related Services	1,057	16.69	16.38	0.31
Hotels and Restaurants	74	9.09	5.76	3.33
Transport, Storage and Communications	193	3.26	4.88	(1.63)
Financial Intermediation	170	2.90	3.25	(0.36)
Real Estate, Renting and Business Activities	467	7.82	9.61	(1.79)
Private Education Services	8	1.00	1.28	(0.28)
Health and Social Work (Private)	19	4.95	3.74	1.21
Other Community, Social and Personal Service Activities	66	12.25	11.61	0.64

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

**Table 2 - ACCESSION AND SEPARATION RATES BY REASON
NATIONAL CAPITAL REGION: 1st QUARTER 2009**

INDICATOR	Rate (%)
Accession Rate	9.29
Due to Expansion	3.00
Due to Replacement	6.28
Separation Rate	9.02
Employee-Initiated	4.59
Employer-Initiated	4.43

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

**Table 3 - LABOR TURNOVER RATE BY YEAR AND QUARTER,
NATIONAL CAPITAL REGION: 3rd QTR. 2002 – 1st QTR. 2009**

YEAR/QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
<u>2009</u>			
1 st Quarter	9.29	9.02	0.27
<u>2008</u>			
1 st Quarter	12.23	7.46	4.76
2 nd Quarter	10.56	8.57	1.99
3 rd Quarter	11.05	9.00	2.05
4 th Quarter	9.14	8.45	0.69
<u>2007</u>			
1 st Quarter	9.21	7.65	1.56
2 nd Quarter	11.31	7.75	3.57
3 rd Quarter	11.16	7.84	3.31
4 th Quarter	10.20	7.33	2.87
<u>2006</u>			
1 st Quarter	9.20	8.43	0.77
2 nd Quarter	8.94	7.21	1.72
3 rd Quarter	9.84	7.87	1.97
4 th Quarter	8.91	7.27	1.64
<u>2005</u>			
1 st Quarter	7.91	7.70	0.21
2 nd Quarter	9.95	7.34	2.61
3 rd Quarter	8.47	8.55	(0.08)
4 th Quarter	8.30	7.10	1.20
<u>2004</u>			
1 st Quarter	5.88	6.11	(0.24)
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>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>2002</u>			
3 rd Quarter	5.96	6.19	(0.22)
4 th Quarter	5.98	5.07	0.91

Note: 2008 data onwards not comparable with the previous year data series due to change in sampling design and sample size.

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