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### LABOR TURNOVER STATISTICS: Third 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 742 large enterprises in Metro Manila which were drawn from the 2008 List of the Philippines Top 8,000 Corporations of the Securities and Exchange Commission. (Retrieval rate for the third quarter of 2009 was 99.02% or 705 sample respondents). 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 recorded at 9.99% for the third quarter of 2009.** Accessions are additions to employment during the quarter. *Accession rate is derived by dividing total accession by total employment.*
- Across sub-sectors, **construction posted the highest accession rate at 21.10%.** Mining and quarrying came in second (15.98%); followed by other community, social and personal service activities (15.09%); manufacturing (12.32%); and real estate, renting and business activities (11.79%).
- Accession rates for the rest of the sub-sectors fell below ten percent (10.0%) with the lowest recorded in electricity,

gas and water (2.32%); private education services (2.57%); and financial intermediation (2.60%).

- **Accession due to replacement of separated workers and job quitters (6.39%) still exceeded** accession due to expansion of business activities (3.59%).

#### Separation Rate

- **Separation rate for the third quarter stood at 9.62%.** Separations are terminations of employment or quits that occurred during the period. *Separation rate is derived by dividing total separations by total employment.*
- The bulk of separation during the quarter also occurred in the

five (5) sub-industries that recorded the highest accession rates – a reflection of the high turnover rate that characterized employment in these industries.

- Again, **construction marked the highest separation rate at 25.60%**. Mining and quarrying (14.46%); and other community, social and personal service activities (13.02%), notched the second and third spots, respectively. Further, manufacturing (12.22%) came in fourth followed by real estate, renting and business activities (11.16%).
- Separation rate of below ten percent (10.0%) was noted in the rest of the sub-sectors - with the lowest in private education (1.69%), electricity, gas and water (1.73%) and financial intermediation (2.78%).
- Separation rate remained almost equally divided between employee-initiated separation (4.94%) and employer-initiated separation (4.68%).

#### **Labor Turnover (Accessions vs. Separations)**

- Overall, employment in the top business enterprises in Metro-Manila for the third quarter of 2009 was generally sluggish. As measured by labor turnover rate, employment grew by less than one percent (0.37%) as accession rate (9.99%) barely offset separation rate (9.62%).
- This suggests that employment was up by about four (4) workers in every 1,000 employed persons - as 100 workers per 1,000 employed

were hired due to expansion or replacement of employees, while 96 workers per 1,000 employed were laid off or quit their jobs.

- The low turnover rate mirrors the fragile state of the domestic economy which grew below one percent (0.8%) as measured by gross domestic product (GDP) in the third quarter.
- It should be noted that the net labor turnover rate (accession rate less separation rate) during the first quarter of this year was close to zero (0.27%) but managed to improve during the second quarter at 2.21%.
- Modest gains in employment were recorded in hotels and restaurants (2.76%); agriculture, hunting and forestry (2.65%); wholesale and retail trade and related services (2.52%); other community, social and personal service activities (2.06%); health and social work (1.55%); and mining and quarrying (1.52%).
- Employment remained almost unchanged in manufacturing (0.10%); fishing (0.45%); electricity, gas and water supply (0.58%); real estate, renting and business activities (0.63%); transport, storage and communications (0.67%); and private education services (0.88%).
- Sub-sectors that experienced more separation than accession of workers were financial intermediation (-0.17%) and construction (-4.50%).

**Table 1 - LABOR TURNOVER RATE BY SECTOR,  
NATIONAL CAPITAL REGION: 3<sup>rd</sup> QUARTER 2009**

SECTOR	Number of Enterprises	Labor Turnover Rate (%)		
		Accession Rate	Separation Rate	Percent Difference
<b><u>All Sectoral Groups</u></b>	<b><u>3,011</u></b>	<b><u>9.99</u></b>	<b><u>9.62</u></b>	<b><u>0.37</u></b>
<b>Agriculture, Fishery and Forestry</b>	<b>23</b>	<b>7.35</b>	<b>5.87</b>	<b>1.48</b>
Agriculture, Hunting and Forestry	11	9.96	7.31	2.65
Fishing	12	5.07	4.62	0.45
<b>Industry</b>	<b>863</b>	<b>13.93</b>	<b>14.85</b>	<b>(0.92)</b>
Mining and Quarrying	23	15.98	14.46	1.52
Manufacturing	653	12.32	12.22	0.10
Electricity, Gas and Water Supply	30	2.32	1.73	0.58
Construction	157	21.10	25.60	(4.50)
<b>Services</b>	<b>2,125</b>	<b>8.89</b>	<b>8.16</b>	<b>0.72</b>
Wholesale and Retail Trade and Related Services	1,083	9.74	1.39	2.52
Hotels and Restaurants	87	8.99	6.22	2.76
Transport, Storage and Communications	187	4.29	3.62	0.67
Financial Intermediation	216	2.60	2.78	(0.17)
Real Estate, Renting and Business Activities	466	11.79	11.16	0.63
<i>Real Estate Activities</i>	111	8.58	5.67	2.91
<i>Computer and Related Activities</i>	122	14.23	11.81	2.42
<i>Miscellaneous Business Activities</i>	199	13.55	13.76	(0.21)
<i>Call Center Activities</i>	35	9.52	8.84	0.68
Private Education Services	8	2.57	1.69	0.88
Health and Social Work (Private)	20	5.50	3.95	1.55
Other Community, Social and Personal Service Activities	58	15.09	13.02	2.06

**Table 2 - ACCESSION AND SEPARATION RATES BY REASON,  
NATIONAL CAPITAL REGION: 3<sup>rd</sup> QUARTER 2009**

INDICATOR	Rate (%)
<b>Accession Rate</b>	<b>9.99</b>
Due to Expansion	3.59
Due to Replacement	6.39
<b>Separation Rate</b>	<b>9.62</b>
Employee-Initiated	4.94
Employer-Initiated	4.68

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

**Table 3 - LABOR TURNOVER RATE BY YEAR AND QUARTER,  
NATIONAL CAPITAL REGION: 3<sup>rd</sup> QTR. 2002 – 3<sup>rd</sup> QTR. 2009**

YEAR/QUARTER	Labor Turnover Rate (%)		
	Accession Rate	Separation Rate	Percent Difference
<b><u>2009</u></b>			
1 <sup>st</sup> Quarter	9.29	9.02	0.27
2 <sup>nd</sup> Quarter	9.74	7.53	2.21
3 <sup>rd</sup> Quarter	9.99	9.62	0.37
<b><u>2008</u></b>			
1 <sup>st</sup> Quarter	12.23	7.46	4.76
2 <sup>nd</sup> Quarter	10.56	8.57	1.99
3 <sup>rd</sup> Quarter	11.05	9.00	2.05
4 <sup>th</sup> Quarter	9.14	8.45	0.69
<b><u>2007</u></b>			
1 <sup>st</sup> Quarter	9.21	7.65	1.56
2 <sup>nd</sup> Quarter	11.31	7.75	3.57
3 <sup>rd</sup> Quarter	11.16	7.84	3.31
4 <sup>th</sup> Quarter	10.20	7.33	2.87
<b><u>2006</u></b>			
1 <sup>st</sup> Quarter	9.20	8.43	0.77
2 <sup>nd</sup> Quarter	8.94	7.21	1.72
3 <sup>rd</sup> Quarter	9.84	7.87	1.97
4 <sup>th</sup> Quarter	8.91	7.27	1.64
<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)
4 <sup>th</sup> Quarter	8.30	7.10	1.20
<b><u>2004</u></b>			
1 <sup>st</sup> Quarter	5.88	6.11	(0.24)
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>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>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

*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.*