



LABOR TURNOVER STATISTICS

(in enterprises in Metro Manila)
Fourth Quarter 2017

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

A total of 1,372 enterprises served as respondents to the Fourth Quarter 2017 Labor Turnover Survey. The sample enterprises were drawn from the 2016 List of Enterprises. The retrieval rate for this quarter was placed at 98.8 percent.

Employment continued to expand in 4th Quarter 2017

- Employment growth in large enterprises located in Metro Manila remained positive in the fourth quarter of 2017. This was generally driven by the performance of both the industry and services sectors that offset the decline posted in the agriculture, forestry and fishing sector.
- Measured in terms of percent difference between accession rate and separation rate, employment growth for the period at 1.38 percent (Table 1), slightly surpassed the growth registered in the 3rd quarter at 1.10 percent.
- On a year-on-year basis, this figure represents a setback in employment growth from the 3.36 percent rate posted in the same period in 2016. This can be attributed to the declines in labor turnover rate registered in agriculture, forestry and fishing sector since the third quarter of 2017.

Fourteen per 1,000 employed were added in enterprises workforce

- Specifically, overall accession rate (8.27%) exceeded separation rate (6.88%) or a labor turnover rate of 1.38 percent. This implies an addition of 14 workers per 1,000 employed.

Services sector led in employment gains

- Among the major sectors, the services sector posted the highest employment growth at 1.65 percent. Almost all industries under the said sector registered positive labor turnover rates except for real estate activities (-0.59%). Highest growth was recorded in financial and insurance activities (3.72%), followed by accommodation and food services activities (3.47%) (Table 2).
- Other gains in employment occurred in wholesale and retail trade, repair of motor vehicles, motorcycles (1.76%); information and communication (1.39%); administrative and support service activities (1.26%); transportation and storage (1.20%); and



professional, scientific and technical activities (1.18%).

- Minimal growths at less than one percent were recorded in the rest of the industries.

Growth in the industry sector relatively flat during the quarter

- Employment growth in the industry sector remained positive during the period at less than one percent (0.43%). The robust growth posted in mining and quarrying (10.16%) including the modest gains in water supply, sewerage waste management and remediation activities (1.46%); and construction (1.21%) were weakened by the employment reduction posted in manufacturing (-0.47%); and electricity, gas, steam and air conditioning supply (-0.35%).
- In contrast, employment in the agriculture, forestry, and fishing sector continued to convey weak demand for labor during the quarter (-4.61%).

Hiring rates for expansion and replacement at almost the same level

- The 8.27 percent accession rate was attributed to the business expansion at 4.20 percent and a closely same rate of accession due to replacement of separated workers for the period at 4.06 percent.
- Among the industries, mining and quarrying obtained the highest accession rate due to business expansion at 20.56 percent, followed

by administrative and support service activities (7.63%); and construction (6.24%).

- On the other hand, wholesale and retail trade, repair of motor vehicles and motorcycles posted the highest accession rate due to replacement of separated workers at 7.76 percent. This was followed by administrative and support service activities at 5.20 percent.

Nearly all industries had higher employee-initiated than employer-initiated separations

- Separation rate of 6.88 percent were mainly induced by employee-initiated separations or quits at 4.12 percent while only 2.77 percent were due to lay-offs and terminations by the employers.
- Quits instead of lay-offs were apparent in all the industries under services sector. The top three (3) were: administrative and support service activities (6.32% vs. 5.24%); wholesale and retail trade, repair of motor vehicles, motorcycles (5.63% vs. 3.07%); and human health and social work activities (3.78% vs. 0.92%)
- Meanwhile, higher termination rates than quits were reported in agriculture, forestry and fishing (5.39% vs. 1.09%) and industry sectors (3.23% vs. 3.03%), the largest difference of which was registered in mining and quarrying (10.85% vs. 2.01%).

Definition of Terms:

Accessions (New Hires) - refer to permanent or temporary additions to employment in the enterprise due to 1) expansion of business activity and 2) replacement of separated workers and employment resulting from changes in methods/technology of production or service.

Separations - refer to terminations of employment due to 1) quits or terminations initiated by the employees and 2) layoffs or terminations initiated by the employers due to economic reasons (e.g., lack of market, financial losses, redundancy, end of contract) and non-economic reasons (e.g., gross negligence, AWOL).

Labor Turnover - Changes in the employment of an enterprise during a reference period resulting from accessions and separations of workers.

FOR INQUIRIES

Regarding this report, contact **EMPLOYMENT DEMAND STATISTICS DIVISION** at telefax no. 376-1952

Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION** at 462-6600 local 834

Or visit our website at <http://www.psa.gov.ph>

**Table 1 – LABOR TURNOVER RATES BY YEAR AND QUARTER,
NATIONAL CAPITAL REGION: 2008 – 4th Quarter 2017**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<u>2017</u>			
1 st Quarter	8.79	7.52	1.27
2 nd Quarter	10.56	8.46	2.10
3 rd Quarter	8.91	7.81	1.10
4 th Quarter	8.27	6.88	1.38
<u>2016</u>			
1 st Quarter	7.87	6.91	0.96
2 nd Quarter	12.43	10.13	2.30
3 rd Quarter	14.10	10.43	3.67
4 th Quarter	11.14	7.79	3.36
<u>2015</u>			
1 st Quarter	10.70	10.17	0.53
2 nd Quarter	10.75	9.59	1.15
3 rd Quarter	11.07	7.87	3.20
4 th Quarter	8.50	7.88	0.62
<u>2014</u>			
1 st Quarter	10.06	9.47	0.59
2 nd Quarter	11.47	10.59	0.88
3 rd Quarter	13.11	10.76	2.35
4 th Quarter	9.31	8.29	1.02
<u>2013</u>			
1 st Quarter	7.49	7.51	(0.02)
2 nd Quarter	8.77	6.28	2.49
3 rd Quarter	8.37	5.99	2.38
4 th Quarter	8.86	5.64	3.22
<u>2012</u>			
1 st Quarter	8.10	7.47	0.63
2 nd Quarter	8.93	8.08	0.85
3 rd Quarter	8.43	6.08	2.35
4 th Quarter	8.14	5.67	2.47
<u>2011</u>			
1 st Quarter	11.36	9.47	1.89
2 nd Quarter	8.60	10.65	(2.05)
3 rd Quarter	11.05	8.55	2.51
4 th Quarter	10.38	8.50	1.88
<u>2010</u>			
1 st Quarter	10.23	11.11	(0.88)
2 nd Quarter	13.52	10.66	2.86
3 rd Quarter	12.11	7.88	4.22
4 th Quarter	12.56	8.51	4.05
<u>2009</u>			
1 st Quarter	9.29	9.02	0.27
2 nd Quarter	9.74	7.53	2.21
3 rd Quarter	9.99	9.62	0.37
4 th Quarter	8.48	7.43	1.05
<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

Note: Labor turnover rate may not equal to the differences of accession rate and separation rate due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.

**TABLE 2 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises
by Major Industry Group, National Capital Region: 4th Quarter 2017**

Industry	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
Total	8.27	6.88	1.38	4.20	4.06	4.12	2.77
Agriculture, Forestry, and Fishing Industry	1.87	6.48	(4.61)	1.19	0.68	1.09	5.39
Mining and Quarrying	23.02	12.86	10.16	20.56	2.46	2.01	10.85
Manufacturing	4.83	5.30	(0.47)	3.03	1.80	3.78	1.52
Electricity, Gas, Steam and Air Conditioning Supply	1.57	1.92	(0.35)	0.81	0.76	0.85	1.07
Water Supply; Sewerage, Waste Management and Remediation Activities	2.95	1.49	1.46	1.27	1.68	1.34	0.15
Construction	8.98	7.77	1.21	6.24	2.74	2.21	5.56
Services	8.68	7.04	1.65	4.14	4.54	4.39	2.64
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	10.45	8.69	1.76	2.69	7.76	5.63	3.07
Transportation and Storage	4.44	3.24	1.20	2.84	1.61	1.86	1.39
Accommodation and Food Service Activities	6.80	3.34	3.47	3.82	2.98	2.92	0.41
Information and Communication	6.13	4.73	1.39	2.83	3.30	3.75	0.99
Financial and Insurance Activities	6.32	2.60	3.72	3.93	2.39	2.30	0.30
Real Estate Activities	4.39	4.99	(0.59)	1.93	2.46	2.77	2.22
Professional, Scientific and Technical Activities	4.35	3.17	1.18	2.79	1.56	2.44	0.73
Administrative and Support Service Activities	12.82	11.56	1.26	7.63	5.20	6.32	5.24
Education	2.50	2.38	0.12	1.27	1.23	1.33	1.05
Human Health and Social Work Activities	5.11	4.69	0.41	1.45	3.66	3.78	0.92
Arts, Entertainment and Recreation	2.39	1.79	0.60	1.13	1.26	0.94	0.84
Other Service Activities	4.89	4.83	0.06	1.48	3.41	3.27	1.56

Note: Labor turnover rate may not equal to the differences of accession rate and separation rate due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.