



LABOR TURNOVER STATISTICS

(in large enterprises in Metro Manila)

Third Quarter 2014

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 large business enterprises based in Metro Manila by collecting quarterly data on accessions and separations of workers.

A total of 921 enterprises served as respondents to the third quarter 2014 Labor Turnover Survey. The sample enterprises were drawn from the 2013 NCR List of Enterprises of the PSA, which was updated by the 2013 LTS sampling frame. The retrieval rate for this quarter was placed at 93.8%.

Employment in large enterprises in Metro Manila bounced back in the third quarter of 2014

- Employment in large enterprises in Metro Manila registered a rebound in the third quarter of 2014 on the back of the strong growth in construction alongside the sustained growth in administrative and support service activities, real estate activities and professional, scientific and technical activities.
 - Measured in terms of the percent difference between accession rate and separation rate, employment growth for the third quarter of 2014 accelerated to 2.35%. (Table 2)
- Year-on-year, this figure represents a turnaround from the near zero growth in the first quarter (0.59%) and second quarter (0.88%). It is about at par with the same quarter last year (2.38%).
- More specifically, overall accession rate (13.11%) outpaced separation rate (10.76%), a percentage point

difference or a labor turnover rate of 2.35%. This suggests an addition of 23 workers per 1,000 employed: 131 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 108 workers per 1,000 employed were terminated or resigned from their jobs.

Employment bolstered by construction boom

- The growth in the job market this quarter was driven largely by the construction industry which grew by a robust 7.99%. (Table 1)
- Employment was further boosted by the continued expansion of the services sector - particularly industries with large employment base such as administrative and support activities (3.44%); wholesale and retail trade; repair of motor vehicles and motorcycles (2.72%); and transportation and storage (2.91%).

- Hiring was also brisk in high-end but small industries such as professional, scientific and technical activities (4.38%), real estate activities (4.19%), and information and communication (3.49%).
- Other gainers were mining and quarrying (2.87%), education (2.32%), human health a social work (0.18%) and other service activities which grew the fastest (8.91%).
- Meanwhile, job losses were noted in six (6) industries but most pronounced in water supply (-3.93%) and arts entertainment and recreation (-1.2%). On the other hand, small or negligible losses occurred in electricity, gas, steam and airconditioning supply (-0.24%); agriculture, forestry and fishery (-0.19%); accommodation and food service activities (-0.13%); and financial and insurance activities (-0.08%).

More employers hired workers due to replacement than expansion of business

Accession due to replacement of workers (10.57%) continued to surpass accession due to expansion of business activities (2.54%). (Table 1)

- This was most notable in construction (23.76% vs. 1.26%); wholesale and retail trade; repair of motor vehicles and motorcycles (19.56% vs. 1.42%); and administrative and support service activities (11.05% vs. 1.95%).
- Nevertheless, 10 industry groups registered more hiring of workers due to business expansion than

replacement of workers. Of this number, five industries stood out: mining and quarrying (7.39% vs. 3.46%); financial and insurance activities (7.65% vs. 2.34%); real estate activities (6.61% vs. 2.47%); professional, scientific and technical activities (5.58% vs. 2.97%); and other service activities (10.95% vs. 0.98%).

More workers were separated from employment due to layoffs than resignation

The incidence of separations due to layoffs/terminations (7.04%) was about twice the reports on separations due to resignation or quits (3.72%). (Table 1)

- Layoffs instead of quitting were most apparent in the sub-sectors of construction (14.76% vs. 2.28%); wholesale and retail trade; repair of motor vehicles and motorcycles (13.57% vs. 4.68%); and water supply (7.64% vs. 1.08%). This was also observed in mining and quarrying (5.00% vs. 2.98%); manufacturing (3.75% vs. 1.89%); administrative and support service activities (7.00% vs. 2.56%); arts, entertainment and recreation (2.31% vs. 2.21%); and other service activities (1.66% vs. 1.36%).
- The rest of the sub-sectors reported higher quit rates than terminations. This was most common in financial and insurance activities (9.29% vs. 0.77%) and in accommodation and food service activities (4.59% vs. 1.83%) and professional, scientific and technical activities (3.63 vs. 0.54%).

FOR INQUIRIES

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TABLE 1 - Labor Turnover Rates in Agricultural and Non-Agricultural Enterprises by Major Industry Group, National Capital Region: 3rd Quarter 2014

MAJOR INDUSTRY GROUP	Total			Accession		Separation	
	Accession	Separation	Percent Difference	Expansion	Replacement	Employee-Initiated	Employer-Initiated
ALL INDUSTRIES	13.11	10.76	2.35	2.54	10.57	3.72	7.04
Agriculture	3.43	3.62	(0.19)	2.55	0.87	2.05	1.57
Agriculture, forestry and fishing	3.43	3.62	(0.19)	2.55	0.87	2.05	1.57
Industry	11.26	8.80	2.45	2.21	9.05	1.97	6.83
Mining and quarrying	10.85	7.98	2.87	7.39	3.46	2.98	5.00
Manufacturing	5.93	5.64	0.29	2.60	3.33	1.89	3.75
Electricity, gas, steam and air conditioning supply	1.20	1.45	(0.24)	0.23	0.97	0.92	0.53
Water supply; sewerage, waste management and remediation activities	4.79	8.72	(3.93)	3.01	1.78	1.08	7.64
Construction	25.02	17.04	7.99	1.26	23.76	2.28	14.76
Services	13.71	11.37	2.34	2.64	11.07	4.24	7.13
Wholesale and retail trade; repair of motor vehicles and motorcycles	20.98	18.26	2.72	1.42	19.56	4.68	13.57
Transportation and storage	5.89	2.97	2.91	4.19	1.70	2.00	0.97
Accommodation and food service activities	6.28	6.41	(0.13)	1.43	4.86	4.59	1.83
Information and communication	6.73	3.24	3.49	3.42	3.31	2.66	0.58
Financial and insurance activities	9.99	10.06	(0.08)	7.65	2.34	9.29	0.77
Real estate activities	9.07	4.89	4.19	6.61	2.47	3.42	1.47
Professional, scientific and technical activities	8.55	4.17	4.38	5.58	2.97	3.63	0.54
Administrative and support service activities	13.00	9.56	3.44	1.95	11.05	2.56	7.00
Education	4.77	2.45	2.32	2.87	1.90	1.37	1.08
Human health and social work activities	3.00	2.81	0.18	1.00	2.00	2.37	0.44
Arts, entertainment and recreation	3.32	4.52	(1.20)	0.88	2.44	2.21	2.31
Other service activities	11.93	3.03	8.91	10.95	0.98	1.36	1.66

*Note: Details may not add up to totals or equal to differences due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.*

**TABLE 2 – Labor Turnover Rates by Year and Quarter,
National Capital Region: 2008–3rd Quarter 2014**

YEAR/QUARTER	Accession Rate	Separation Rate	Labor Turnover Rate (Percent Difference)
<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
<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 difference of accession rate and separation rate due to rounding.
Source of data: Philippine Statistics Authority, Labor Turnover Survey.*