



**2012 SURVEY OF EMPLOYMENT  
IN ESTABLISHMENTS WITH 20 OR MORE WORKERS**

**STATISTICS ON AGENCY-HIRED WORKERS**  
(Third of a four-part series)

*This LABSTAT Updates is based on the results of the 2011/2012 BLES Integrated Survey (BITS). The BITS is a nationwide sample survey covering 7,061 establishments with at least 20 workers. This issue presents statistics on the employment of agency-hired workers as another form of contingent work arrangements resorted to by some firms to complement their workforce.*

## OVERVIEW

The hiring of workers through intermediaries or manpower agencies by establishments has grown in recent years. This practice has evolved into various forms of services - a departure from its traditional role of providing mainly security and janitorial services. Today, manpower agencies offer a wide range of services that encompass non-core activities of firms. This LABSTAT Updates presents statistics on: (1) the extent to which firms or establishments across industry groups resort to agency-hired workers to augment their workforce; and (2) the types of jobs/services outsourced by firms to manpower agencies.

Agency-hired workers refer to workers hired through contractors. In the 2011/2012 BITS, they are defined as *"workers employed by contractors to perform or complete a job, work or service pursuant to a service agreement within the premises of the establishment"*. In the BITS, agency-hired workers are

considered not part of the establishment's total employment.

## SURVEY HIGHLIGHTS

### *Establishments with Agency-Hired Workers*

- The engagement of agency-hired workers was practiced in more than two-fifths (44.1% or 11,589) of the total 26,253 establishments with at least 20 workers in June 2012. (Table 1)
- This proportion varied across industry groups with the highest posted in electricity, gas, steam and air conditioning supply (83.7%) followed by arts, entertainment and recreation (72.8%); financial and insurance activities (59.9%); real estate activities (53.5%); manufacturing (53.2%); and human health and social work activities (52.3%).

The lowest were observed in repair of computers and personal and household goods,

and other personal service activities (11.1%); and administrative and support service activities (21.0%).

**Number of Agency-Hired Workers**

- While the proportion of establishments resorting to this type of work flexibility tended to be large (44.1%), the employment they created is quite modest. Survey results placed the number of agency-hired workers at 518,101 or 12.1% of the total 4.287 million persons engaged by establishments on June 30, 2012.

**Number of Establishments with 20 or More Workers with/without Agency-Hired Workers and Total Persons Engaged, Philippines: June 2012**

INDICATOR	Number
<b>NUMBER OF ESTABLISHMENTS</b>	<b>26,253</b>
- With agency-hired workers	11,589
- Without agency-hired workers	14,664
<i>% of establishments with agency-hired workers</i>	<i>44.1</i>
<b>TOTAL PERSONS ENGAGED ('000)</b>	<b>4,287</b>
- Establishment employment	3,769
- Agency-hired workers	518
<i>% share of agency-hired workers to total persons engaged</i>	<i>12.1</i>

Source of data: Bureau of Labor and Employment Statistics, 2011/2012 BITS

- Manufacturing stood out as the industry which engaged the biggest number of agency-hired workers at 238,542 or 46.0% of total agency-hired workers reported in 2012. This means that one in every two agency-hired workers was engaged in manufacturing activities. (Table 2)
- Wholesale and retail trade ranked a distant second at 53,975 or 10.4% of total agency-hired workers.

- The rest were spread across other industry groups - most notably in construction (6.9% or 35,622); agriculture, forestry and fishing (5.6% or 28,786); financial and insurance activities (5.4% or 28,202); and accommodation and food service activities (4.4% or 22,958).
- The presence of agency-hired workers was nil or negligible in three industries, namely, repair of computers and personal and household goods, and other personal service activities (0.1% or 414); water supply, sewerage, waste management and remediation activities (0.5% or 2,560); and professional, scientific and technical activities (1.0% or 5,261).

**Types of Services/Jobs**

- Most establishments continued to rely on manpower agencies for their security and janitorial needs. Survey results showed that nearly one-third (32.1% or 166,450) of the total agency employment in 2012 were engaged by the establishments for these twin purposes. (Table 2)

This proportion varied across industries. For security services, exceptionally high proportion was observed in education (51.4%); and water supply, sewerage, waste management and remediation activities (50.9%). For janitorial services, the highest proportion was noted in human health and social work activities (47.1%); and again in education (38.7%).

- Meanwhile, the largest share of agency-hired workers were engaged to perform activities related to production/assembly comprising about one-third (33.6% or 173,908) of the total agency employment. This practice was specific to manufacturing industry but confined only to a small proportion (16.3%) of the total number of manufacturing establishments, i.e., 808 out of 4,948 establishments.
- Other types of job orders/services that can be considered industry specific were those relating to food service/catering in accommodation and food service activities; marketing/sales in wholesale and retail trade; packaging in manufacturing; and repair/maintenance/ construction in construction industry.

In particular, accommodation and food service activities engaged the bulk (85.3% or 8,521) of agency-hired workers involved in food service/catering.

Similarly, wholesale and retail trade accounted for more than half (52.8% or 13,777) of agency-hired workers engaged in marketing/sales. A fairly large proportion (33.4% or 8,716) was also reported in manufacturing.

Meanwhile, agency-hired workers involved in packaging were primarily engaged by establishments in manufacturing (79.2% or 18,029).

Construction industry engaged the bulk (72.5% or 24,178) of agency-hired workers involved in repair/maintenance/construction.

- The rest of the agency-hired workers performed jobs or services that were incidental (non-core) to the operations of the establishment. The demand for these types of jobs/services cut across industries, though their respective shares to total agency employment were found to be numerically low.

These involved works that relate to general administrative services (4.7% or 24,600) and logistics/transport (2.1% or 10,869).

Furthermore, agency-hired workers for certain jobs/services were found to be virtually nil or negligible in relation to total agency employment. This suggests that these activities were being performed by regular workers of the establishment and were not commonly outsourced to manpower agencies. It could also be that these jobs/services were not applicable for some of the establishments.

These include human resource (0.02% or 85); cashier (0.02% or 86); data processing/encoding (0.02% or 113); billing payment (0.05% or 242); messengerial (0.05% or 250); medical and health services (0.2% or 1,132); research and development (0.2% or 1,233); warehousing (0.5% or 2,691); and IT services (0.7% or 3,453).

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#### FOR INQUIRIES

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**TABLE 1 - Number of Establishments with 20 or More Workers with Agency-Hired Workers by Major Industry Group, Philippines: June 2012**

MAJOR INDUSTRY GROUP	Total Establishments	With Agency-Hired Workers		
		Total	Percent to Total	Percent Share
<b>ALL INDUSTRIES</b>	<b>26,253</b>	<b>11,589</b>	<b>44.1</b>	<b>100.0</b>
Agriculture, forestry and fishing	803	256	31.9	2.2
Mining and quarrying	99	49	49.5	0.4
Manufacturing	4,948	2,633	53.2	22.7
Electricity, gas, steam and air conditioning supply	356	298	83.7	2.6
Water supply; sewerage, waste management and remediation activities	278	97	34.9	0.8
Construction	820	253	30.9	2.2
Wholesale and retail trade; repair of vehicles and motorcycles	5,564	2,331	41.9	20.1
Transportation and storage	955	356	37.3	3.1
Accommodation and food service activities	3,593	1,619	45.1	14.0
Information and communication	769	315	41.0	2.7
Financial and insurance activities	1,006	603	59.9	5.2
Real estate activities	525	281	53.5	2.4
Professional, scientific and technical activities	636	198	31.1	1.7
Administrative and support service activities	1,675	351	21.0	3.0
Education except public education	2,794	1,300	46.5	11.2
Human health and social work activities except public health activities	812	425	52.3	3.7
Arts, entertainment and recreation	250	182	72.8	1.6
Repair of computers and personal and household goods; other personal service activities	369	41	11.1	0.4

*Note: Details may not add up to totals due to rounding of figures.*

*Source of data: Bureau of Labor and Employment Statistics, 2011/2012 BITS.*

**TABLE 2 - Number of Agency-Hired Workers in Establishments with 20 or More Workers by Type of Jobs/Services Contracted Out and Major Industry Group, Philippines: June 2012**

MAJOR INDUSTRY GROUP	Type of Jobs/Services Contracted Out																				
	Total	Security Services	Janitorial	General Administrative	Marketing/Sales	Packaging	Production/Assembly	Research and Development	IT Services	Cashier	Food Service/Catering	Human Resource	Messenger	Billing/Payment	Logistics/Transport	Repair/Maintenance/Construction	Data Processing/Encoding	Warehousing	Medical and Health Services	Others	
<b>ALL INDUSTRIES</b>	<b>518,101</b>	<b>110,673</b>	<b>55,716</b>	<b>24,600</b>	<b>26,103</b>	<b>22,752</b>	<b>173,908</b>	<b>1,233</b>	<b>3,453</b>	*	<b>9,983</b>	*	<b>250</b>	<b>242</b>	<b>10,869</b>	<b>33,328</b>	<b>113</b>	<b>2,691</b>	<b>1,132</b>	<b>40,813</b>	
Agriculture, forestry and fishing	28,786	5,736	123	*	153	1,021	9,340	*	*	-	-	-	-	-	*	-	-	-	-	-	12,288
Mining and quarrying	7,295	1,468	131	453	-	-	1,256	-	*	-	*	-	*	-	469	703	-	-	-	-	2,778
Manufacturing	238,542	23,275	10,131	4,400	8,716	18,029	159,984	583	692	-	147	*	*	-	1,458	2,800	*	2,083	*	-	6,045
Electricity, gas, steam and air conditioning supply	16,580	8,224	2,844	1,316	-	-	-	-	*	-	-	-	-	*	303	2,367	-	-	-	-	1,443
Water supply; sewerage, waste management and remediation activities	2,560	1,303	344	198	*	-	-	-	*	-	-	-	-	*	-	*	-	-	-	-	511
Construction	35,622	3,572	350	*	-	-	-	*	*	-	-	-	*	-	6,161	24,178	-	-	-	-	1,276
Wholesale and retail trade; repair of vehicles and motorcycles	53,975	18,068	6,855	5,878	13,777	2,519	1,128	322	556	*	*	-	*	*	259	375	*	492	155	-	3,329
Transportation and storage	10,855	4,112	1,355	776	105	-	298	-	*	-	-	-	-	-	910	773	-	112	-	-	2,357
Accommodation and food service activities	22,958	6,105	3,639	1,200	1,548	-	-	-	*	-	8,521	*	-	-	647	153	-	-	-	-	1,039
Information and communication	9,767	3,876	2,066	412	669	*	145	-	837	-	-	*	*	*	*	*	-	-	*	-	1,514
Financial and insurance activities	28,202	11,232	5,931	4,452	613	*	-	*	427	-	-	-	135	*	340	*	*	-	-	247	4,676
Real estate activities	9,686	3,844	3,202	1,451	288	-	-	*	*	*	*	-	-	-	*	700	-	-	-	-	*
Professional, scientific and technical activities	5,261	1,107	599	668	*	-	1,662	300	*	-	-	-	*	-	*	*	*	*	-	-	708
Administrative and support service activities	11,492	3,452	3,945	762	*	1,095	*	*	225	-	-	-	*	-	-	*	-	-	-	105	1,756
Education except public education	18,343	9,437	7,102	1,111	*	-	*	-	163	-	*	-	*	-	*	159	-	-	*	-	284
Human health and social work activities except public health activities	11,066	3,364	5,214	972	*	*	-	-	*	-	143	-	*	-	*	273	-	-	-	537	392
Arts, entertainment and recreation	6,698	2,498	1,851	395	*	-	-	-	*	-	980	-	-	-	-	658	-	-	-	-	298
Repair of computers and personal and household goods; other personal service activities	414	*	*	*	*	-	-	-	207	-	-	-	-	-	-	-	-	-	-	-	*

Note: Details may not add up to totals due to rounding of figures.

\* Less than 100 workers.

Source of data: Bureau of Labor and Employment Statistics, 2011/2012 BITS.