



# PRESS RELEASE

**2017/2018 INTEGRATED SURVEY ON LABOR AND EMPLOYMENT (ISLE) – Part 3  
 Module on Productivity Improvement Program (PIP)  
 and Gainsharing Practices: 2017**

Date of Release: \_\_\_\_\_

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**ESTABLISHMENTS WITH PRODUCTIVITY IMPROVEMENT PROGRAM (PIP) IN 2017**

- More than half (54.4%) of the total 32,288 establishments employing 20 or more workers in 2017 implemented various productivity improvement programs (PIPs). (*Table 1*)
- Classified by major industry group, establishments in electricity, gas, steam and air conditioning supply posted the highest share at 66.0 percent followed by the human health and social work activities except public health activities at 62.6 percent, manufacturing at 62.1 percent and accommodation and food service activities at 60.5 percent.

**TABLE 1 – Number and Percentage of Establishments with Productivity Improvement Programs (PIP) by Major Industry Group, Philippines: 2017**

2009 PSIC	MAJOR INDUSTRY GROUP	Total Establishments	Total Establishments with PIP	Percentage
	<b>ALL INDUSTRIES</b>	<b>32,288</b>	<b>17,563</b>	<b>54.4</b>
<b>A</b>	Agriculture, Forestry and Fishing	1,124	442	39.3
<b>B</b>	Mining and Quarrying	156	66	42.3
<b>C</b>	Manufacturing	5,925	3,677	62.1
<b>D</b>	Electricity, Gas, Steam and Air Conditioning Supply	285	188	66.0
<b>E</b>	Water Supply; Sewerage, Waste Management and Remediation Activities	326	192	58.9
<b>F</b>	Construction	991	487	49.1
<b>G</b>	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	7,820	4,126	52.8
<b>H</b>	Transportation and Storage	1,045	499	47.8
<b>I</b>	Accommodation and Food Service Activities	4,183	2,531	60.5
<b>J</b>	Information and Communications	772	338	43.8
<b>K</b>	Financial and Insurance Activities	1,339	731	54.6
<b>L</b>	Real Estate Activities	454	173	38.1
<b>M</b>	Professional, Scientific and Technical Activities	745	314	42.1
<b>N</b>	Administrative and Support Service Activities	1,925	929	48.3
<b>P</b>	Education Except Public Education	3,574	1,901	53.2
<b>Q</b>	Human Health and Social Work Activities Except Public Health Activities	1,048	656	62.6
<b>R</b>	Arts, Entertainment and Recreation	234	140	59.8
<b>S95/S96</b>	Repair of Computers and Personal and Household Goods; Other Personal Service Activities	343	171	49.9

Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)



Management System  
 ISO 9001:2015

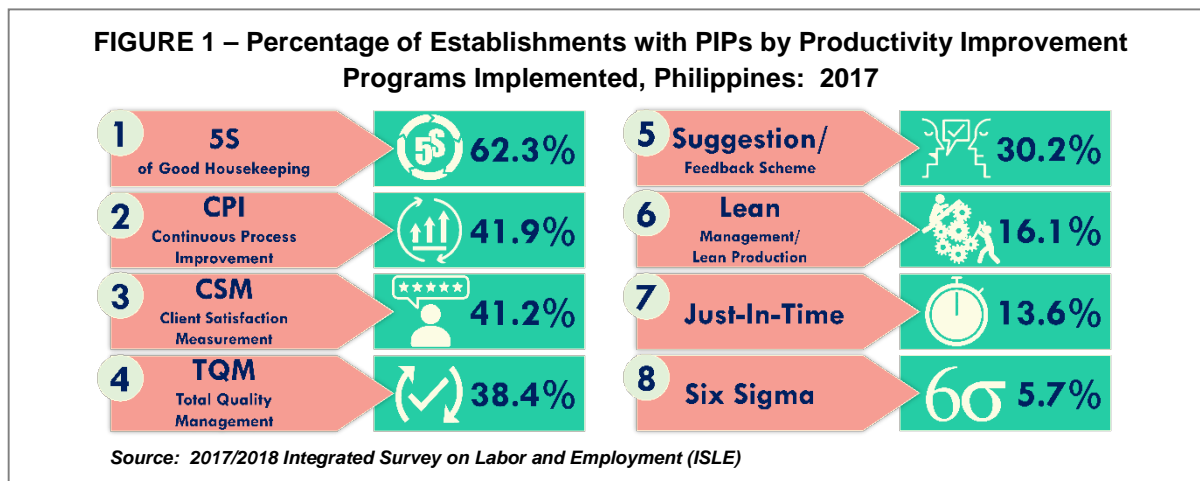


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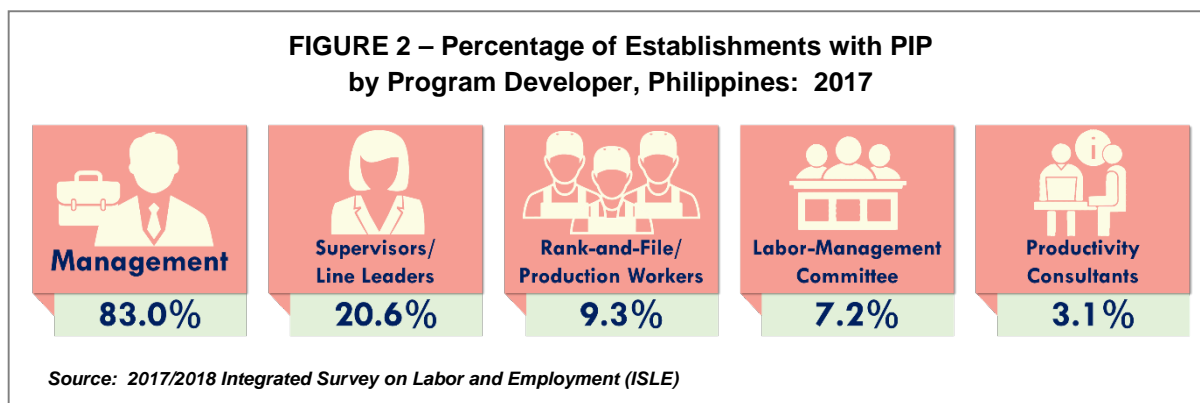
## PRODUCTIVITY IMPROVEMENT PROGRAMS IMPLEMENTED

- The topmost productivity improvement program implemented by the establishments was the 5S of Good Housekeeping with 62.3 percent. Other programs widely implemented include Continuous Process Improvement (41.9%); Client Satisfaction Measurement (41.2%); Total Quality Management (38.4%) and Suggestion/Feedback Scheme (30.2%). (Figure 1)



## PRODUCTIVITY IMPROVEMENT PROGRAM DEVELOPERS

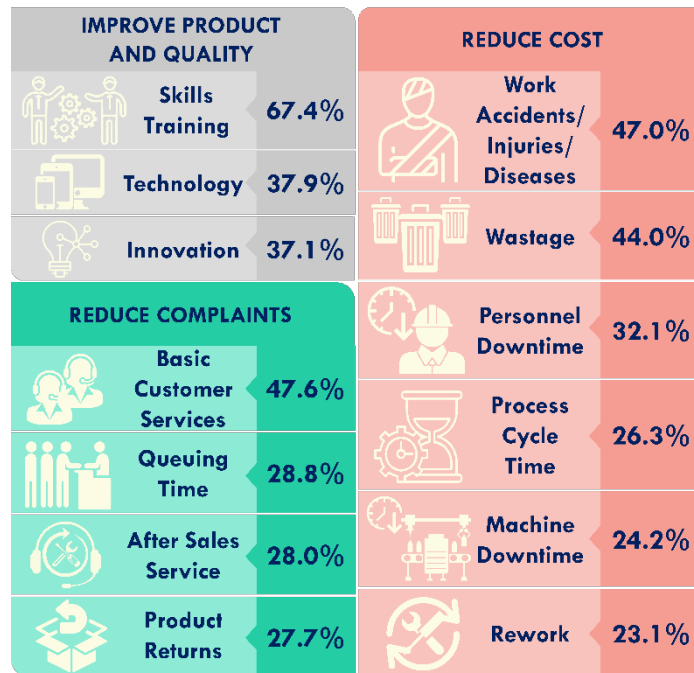
- The largest share of productivity improvement program developer was the management, accounting for 83.0 percent. This was followed by the supervisors/line leaders at 20.6 percent; rank-and-file/production workers at 9.3 percent; labor-management committee at 7.2 percent and productivity consultants at 3.1 percent. (Figure 2)



## PRODUCTIVITY IMPROVEMENT PROGRAM OBJECTIVES

- Improving product and quality through skills training is the most cited objective in majority (67.4%) of the establishments' productivity improvement program. Other objectives were to reduce complaints through basic customer service (47.6%); to reduce cost in work accidents/injuries/diseases (47.0%) and wastage (44.0%); to improve product and quality by technology (37.9%) and innovation (37.1%) and reduce cost in personnel downtime (32.1%). (Figure 3)
- Less than 30 percent of the establishments had identified reduce complaints in queuing time (28.8%), after sales service (28.0%) and product returns (27.7%); reduce cost in process cycle time (26.3%), machine downtime (24.2%) and rework (23.1%).

**FIGURE 3 – Percentage of Establishments with PIP by Program Objective, Philippines: 2017**

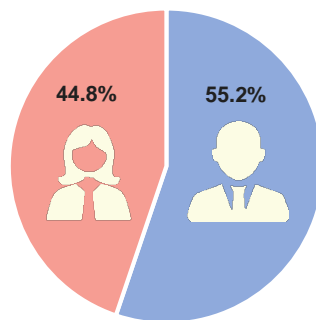


Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

**COVERAGE OF WORKERS WITH PIP**

- In 2017, almost 2.2 million workers were covered by the productivity improvement programs. More than half or 55.2 percent of the workers were male while the remaining 44.8 percent were female. (Figure 4)

**FIGURE 4 – Percentage of Workers Covered by PIP, Philippines: 2017**



Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

**GAINSHARING SCHEMES/PRACTICES IN ESTABLISHMENTS WITH PIP**

- A total of 8,313 (47.3%) establishments with PIP recorded gainsharing schemes/practices. By type of gainsharing, provision of cash is the highest at 61.9 percent share. Same can be observed in terms of profit sharing with cash provision recorded the highest at 14.5 percent. (Table 2)

**TABLE 2 – Number and Percentage of Establishments with PIP and Gainsharing Schemes/Practices by Type of Gainsharing Schemes/Practices, Philippines: 2017**

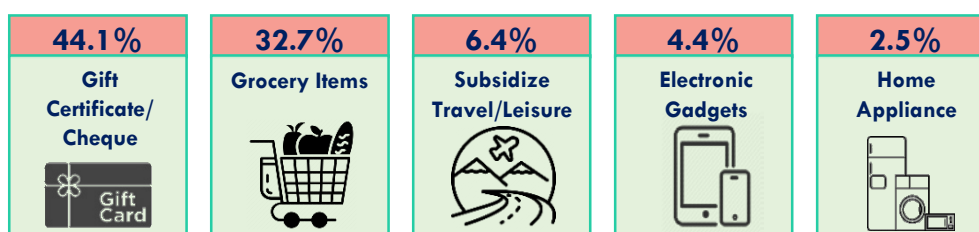
Number of Establishments with Gainsharing Schemes/Practices	Type of Gainsharing Schemes/Practices									
	Gainsharing				Profit Sharing				Employee Stock/S Option Plan	
	Cash		Non-Cash		Cash		Non-Cash		Non-Cash	
	Number	%	Number	%	Number	%	Number	%	Number	%
8,313	5,148	61.9	2,555	30.7	1,209	14.5	436	5.2	419	5.0

Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

### USUAL FORM OF NON-CASH INCENTIVE

- Gift certificate/cheque was the most common usual form of non-cash incentives provided by the establishments with productivity improvement programs to their employees at 44.1 percent. This was followed by grocery items at 32.7 percent. While subsidized travel/leisure was trailing behind at 6.4 percent. (Figure 5)

**FIGURE 5 – Percentage of Establishments with PIPs by Usual Form of Non-Cash Incentives, Philippines: 2017**

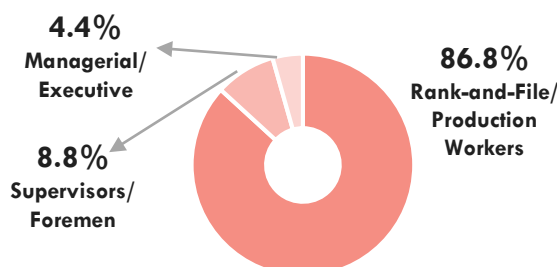


Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

### EMPLOYEES BENEFITTED FROM THE PIP INCENTIVES

- About six out of every 7 (86.8%) rank-and-file/production workers benefitted from the productivity improvement program incentives. Following are supervisors/foremen (8.8%) and managerial/executive (4.4%). (Figure 6)

**FIGURE 6 – Percentage of Establishments with PIPs by Employees Benefitted from PIP Incentives, Philippines: 2017**

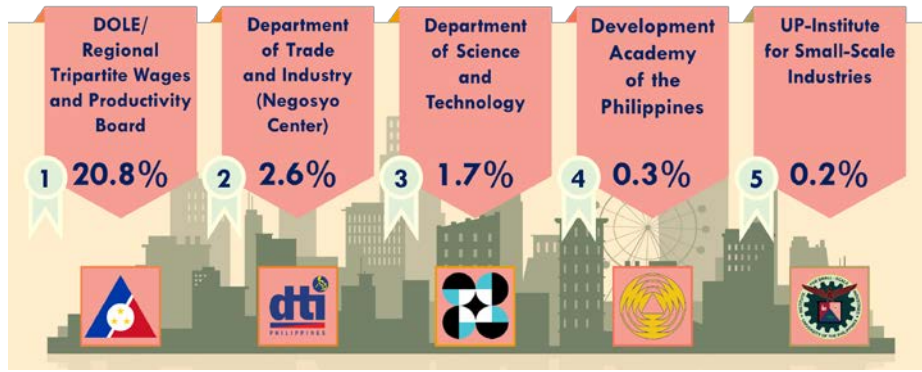


Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

### ASSISTING GOVERNMENT AGENCY

- Among agencies that had given assistance to establishments in developing and implementing productivity improvement programs, the Department of Labor and Employment (DOLE), particularly National Wages and Productivity Commission (NWPC) – Regional Tripartite Wages and Productivity Board (RTWPB) provided the most assistance at 20.8 percent. (Figure 7)

**FIGURE 7 – Percentage of Establishments with PIPs by Assisting Government Agency, Philippines: 2017**

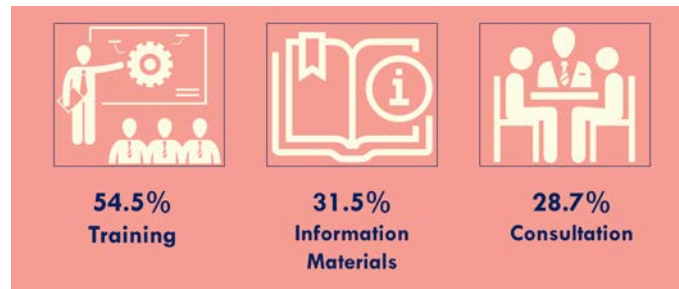


Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

### TECHNICAL ASSISTANCE NEEDED FROM RTWPBs

- More than half (54.5%) of the establishments with productivity improvement programs considered training as the technical assistance they needed the most from the RTWPBs. This was followed by technical assistance on information materials at 31.5 percent and consultation at 28.7 percent. (Figure 8)

**FIGURE 8 – Percentage of Establishments with PIPs by Technical Assistance Needed from RTWPBs, Philippines: 2017**



Source: 2017/2018 Integrated Survey on Labor and Employment (ISLE)

**CLAIRE DENNIS S. MAPA, Ph.D.**  
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RPB/WAG/CSA

# Technical Notes:

This section on Productivity Improvement Program (PIP) and Gainsharing Practices is a rider module of the National Wages and Productivity Commission which centers on the following: (1) characteristics of PIPs developed and implemented in establishments; (2) types of gainsharing schemes included in PIPs of establishments; (3) availment of establishments of tax incentives for PIPs implemented; (4) government agencies that assisted establishments in the development and implementation of PIPs; (5) PIPs implemented in establishments as a result of company employees' participation to training programs conducted by the Regional Tripartite Wages and Productivity Boards (RTWPBs) of the Department of Labor and Employment (DOLE); and (6) types of technical assistance establishments' need from the RTWPBs.

The section on Productivity Improvement Program and Gainsharing Practices seeks to generate data/information on the existing patterns/trends on productivity improvement and gainsharing practices developed and implemented in establishments across industries and regions. Data generated on PIPs and gainsharing practices are valuable inputs to studies in industry trends and practices in establishments for policy and planning purposes of policymakers in the government.

## DEFINITION OF TERMS:

5S of Good Housekeeping refers to a training program on waste elimination through workplace organization. 5S means sort, set in order, clean, standardize, and sustain. (Asian Productivity Organization)

Continuous Process Improvement refers to the act of implementing improvements to a product, service or process.

Client Satisfaction Measurement (CSM) refers to the assessment of performance from the customer's point of view.

Total Quality Management (TQM) refers to the management philosophy that seeks to integrate all organizational objectives.

Suggestion/Feedback Scheme refers to the formal mechanism which encourages employees to contribute constructive ideas for improving their organization.

Lean Management refers to a productivity program on doing more with less, i.e., less time, inventory, space, labor and money.

Just-in-Time refers to a production technology system which promotes economic efficiency, with a central principle of "produce appropriately what is necessary, just as much as needed, when needed".

Six Sigma refers to a program aimed at the near elimination of defects from every product, process and transaction.