

A Glimpse on Compensation Schemes Granted by Establishments Based on Ownership: 2006

In 2006, the Bureau of Labor and Employment Statistics (BLES) in coordination with the DOLE Regional Offices conducted the third round of the BLES Integrated Survey (BITS) covering non-agricultural establishments employing 20 or more workers nationwide. The main objective of the survey is to generate an integrated data set on occupational employment patterns and wage and compensation practices.

This issue of LABSTAT Updates focuses on the different compensation schemes provided to workers such as social security schemes, paid leave benefits, health care benefits and incentive schemes by type of ownership of establishments.

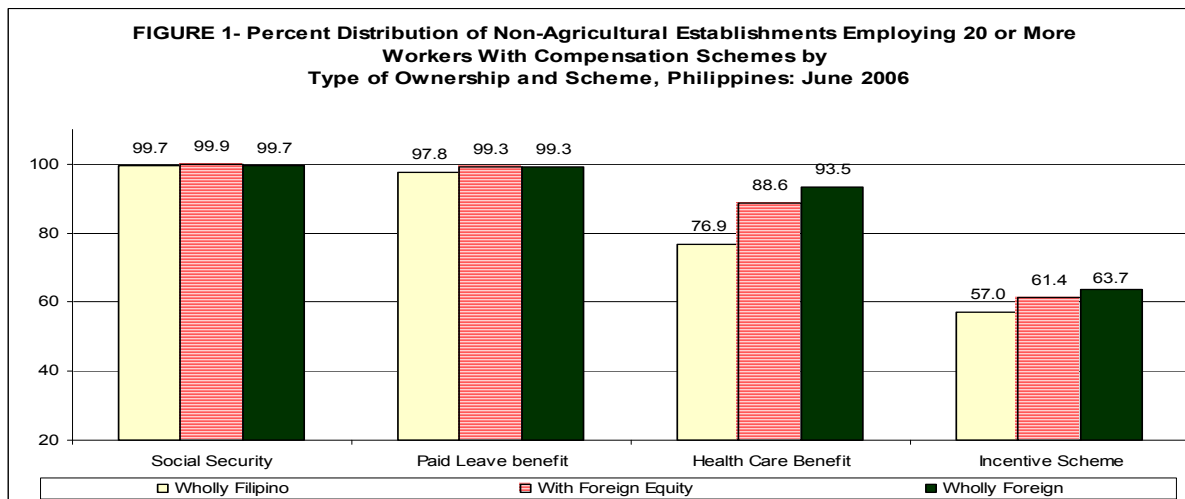


There were a total of 25,349 non-agricultural establishments employing 20 or more workers nationwide. The figures below show the distribution of the establishments by type of ownership:

<u>Type of Ownership</u>	<u>Number</u>	<u>Percent</u>
Total	25,349	100.0
Wholly Filipino-Owned	21,971	86.7
With Foreign Equity	2,020	8.0
Wholly Foreign-Owned	1,358	5.4

Compensation schemes granted by these establishments focused more on social security and paid leaves rather than on health care and incentive schemes. Specifically, social security schemes were provided in almost all establishments with foreign equity (99.9%) and wholly Filipino and foreign-owned establishments at 99.7%, each. (FIGURE 1)

Meanwhile, paid leave benefits were enjoyed by workers in more than 98.0% of the total establishments. Classified by type of ownership, about 99.3% of establishments with foreign equity and wholly foreign-owned had paid leave benefits. The proportion was



relatively lower among wholly Filipino-owned at 97.8%.

In terms of health care benefits, high implementation rates were noted in wholly and partially foreign-owned establishments at 93.5% and 88.6%, respectively. Only 76.9% subscribed to this scheme among Filipino-owned establishments.

Incentive schemes were provided only in about 60.0% of the establishments for all types of ownership.

Paid Leave Benefits

Among establishments providing paid leave benefits to their workers, the top four leave benefits and their corresponding percent shares were enumerated below:

TABLE 1 - Percent Share of Top Four Paid Leave Benefits Provided in Non-Agricultural Establishments With 20 or More Workers by Type of Ownership, Philippines: June 2006

TOP PAID LEAVE BENEFITS	Wholly Filipino	With Foreign Equity	Wholly Foreign
Establishments With Paid Leave Benefits	21,484	2,006	1,348
Vacation	87.1	94.8	92.8
Sick	86.1	90.4	83.6
Maternity	77.8	82.9	92.5
Paternity	68.7	84.0	91.0

Source of data: Bureau of Labor and Employment Statistics 2006 BLES Integrated Survey.

Social Security Schemes

Compulsory social security was the topmost benefit provided by establishments for all types of ownership. It accounted for a compliance rate of about 98% with the highest among wholly foreign-owned establishments at 99.6%. (Table 2)

The granting of separation/termination pay came far second at 54.1% among wholly Filipino-owned establishments. This

was followed by retirement plans at 46.5%. Medical concerns through the provision of health and accident insurance were adopted in about 3 out of every 10 establishments.

The same pattern holds true among establishments with foreign equity where the granting of separation/termination pay ranked second at 54.2%. Medical and health insurance followed with 53.3% while retirement plan and accident insurance were granted only in more than 40.0% of the establishments.

Results also revealed that a larger proportion of wholly foreign-owned establishments showed preference to the granting of medical and health insurance (63.3%) and accident insurance (53.9%). Monetary considerations such as retirement plan and separation/ termination pay followed with 52.9% and 52.3%, respectively.

Less than 10% of the establishments for all types of ownership provided pension plans.

Health Care Benefits

Of all health care benefits, the provision of medical care was the most popular among wholly Filipino-owned establishments (68.5%). Annual physical check-up on the other hand, was preferred by those establishments with foreign equity (76.1) and wholly foreign-owned (87.2%).

Other health care benefits also granted in 1 out of every 2 wholly Filipino-owned establishments were first aid treatment (60.4%), annual physical check-up (56.7%) and hospitalization assistance (53.0%).

About 3 out of every 4 wholly foreign-owned and with foreign equity establishments, provided medical care

(78.1% and 73.7%) and first aid treatment (70.4% and 71.9%). A little over one-half had hospitalization assistance (58.7% and 62.8%) and dental care (67.3% and 55.5%).

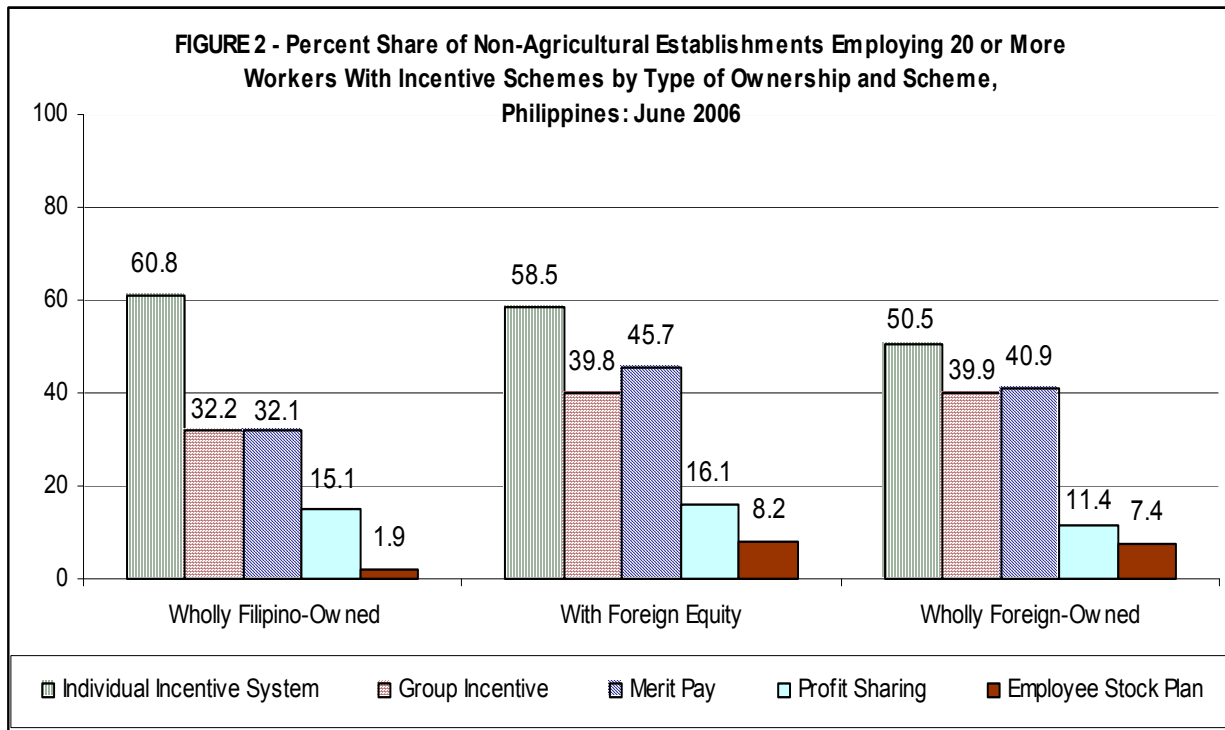
Provision of optical assistance was the least popular for all types of ownership.

Incentive Schemes

To motivate their workers and reward employees who exhibited exemplary performance or produced quality outputs, establishments adopted various types of incentive schemes. Of the establishments with incentive schemes, individual incentive was the most granted

with a share of 60.8% among wholly Filipino-owned establishments; 58.5% in establishments with foreign equity; and 50.5% in wholly foreign-owned establishments. (FIGURE 2)

Group incentive and merit pay or skill-based pay were enjoyed by workers in wholly Filipino-owned (32.2% and 32.1%); with foreign equity (39.8% and 45.7%) and wholly foreign-owned (39.9% and 40.9%) establishments. Less than 10.0% each had employee stock plan, as part of their incentive.



Source of data: Bureau of Labor and Employment Statistics, 2006 BLES Integrated Survey.

TABLE 2 – Percent Share of Non-Agricultural Establishments Employing 20 or More Workers With Social Security Schemes By Type of Scheme and Type of Ownership, Philippines: June 2006

SOCIAL SECURITY SCHEME	Wholly Filipino	With Foreign Equity	Wholly Foreign
Total Establishments With Social Security Schemes	21,903	2,019	1,354
Compulsory Social Security Scheme	97.9	98.3	99.6
Separation/Termination Pay	54.1	54.2	51.3
Retirement Plan	46.5	45.6	52.9
Medical and health insurance	36.5	53.3	63.3
Accident Insurance	32.6	41.2	53.9
Hospitalization Plan	19.5	30.7	36.6
Life Insurance	18.5	31.4	43.6
Pension Plan	6.8	6.4	7.3
Others	1.2	1.9	0.7

Source of data: Bureau of Labor and Employment Statistics, 2006 BLES Integrated Survey.

TABLE 3 - Percent Share of Non-Agricultural Establishments Employing 20 or More Workers With Health Care Benefits by Type of Benefit and Type of Ownership, Philippines: June 2006

HEALTH CARE BENEFIT	Wholly Filipino	With Foreign Equity	Wholly Foreign
Total Establishments With Health Care Benefits	16,887	1,789	1,269
Medical Care	68.5	73.7	78.1
First Aid Treatment	60.4	71.9	70.4
Annual Physical Check-up	56.7	76.1	87.2
Hospitalization Assistance	53.0	62.8	58.7
Dental Care	38.5	55.5	67.3
Medicine Allowance	28.7	42.1	40.3
Special Laboratory Examination	24.5	37.3	37.0
Vision Care	22.6	37.2	35.5
Optical Assistance	17.2	28.3	31.8
Others	1.9	2.6	2.2

Source of data: Bureau of Labor and Employment Statistics, 2006 BLES Integrated Survey.

FOR INQUIRIES:

Regarding this report contact **LABOR RELATIONS STATISTICS DIVISION at 527-30-00 local 319**
 Regarding other statistics and technical services contact **BLES DATABANK at 527-30-00 local 317**
 Or Write to BLES c/o **Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002**
 FAX **527-55-06** E mail: bles_lrsd@yahoo.com or visit our website at <http://www.bles.dole.gov.ph>