



Department of Labor and Employment Manila, Philippines

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### **EMPLOYEES IN PRIVATE ESTABLISHMENTS**

(Second of a Two-Part Series)



An employed person may be classified as a wage and salary worker, employer, self employed or unpaid family worker. The wage and salary worker or employee may further be categorized as one who works in a private household, in a private establishment, in a government/government corporation or in own-family farm or business.

Statistics on class of worker are sourced from the Labor Force Survey (LFS) of the National Statistics Office (NSO) conducted every January, April, July and October of each year. However, the published results do not contain detailed information on the sub-categories of wage and salary workers which can only be extracted from the public use files (PUF) of the LFS.

As used in the survey, employees in private establishments are those who worked in establishments for pay, in cash or in kind. This group of workers includes not only those working in private industry but also those working for a religious group (priest, acolyte), missionary (nuns, sisters), unions and non-profit organizations, public transport drivers who do not own the vehicles but drive those on boundary basis, palay harvesters getting fixed shares of harvested palay.

The statistics on economic characteristics of private employees relate to their primary jobs. A primary job is determined in accordance with the following priority rules: 1) if only one job, then that is the primary job regardless of permanency or hours worked in the job; 2) if more than one job, the primary job is that which is permanent regardless of hours worked; 3) if more than one permanent job, consideration is given to the job where more hours of work are spent; 4) if equal hours are spent in the permanent jobs, the primary job is that which provides more income.

This second issue deals with the hours of work and basic pay of private employees as paid by establishments and not the prescribed basic pay in accordance with government wage orders. The data pertain to January 2005, the reference period for which the latest LFS-PUF is available.

On the average, employees in private establishments worked 5 and ½ days a week and were paid a daily basic pay of P225.36 in their primary jobs in January 2005.

#### Employees in private establishments worked 5 and ½ days a week

The January 2005 Labor Force Survey reported 12.3 million employees in private establishments. Of this, 12.1 million were at work as they rendered an average of 44.7 hours during the reference week of the survey. The men worked slightly longer hours at 44.8 compared to the 44.5 hours of women. (Table 1)

Almost 78 percent worked full-time or at least 40 hours. A bigger proportion of the women employees (80.2%) worked full-time than men (76.8%).

About 2.5 million, representing one-fifth of total private employees worked beyond 48 hours, which averaged at 63.4 hours during the reference week (men and women had relatively the same work hours). Around 73 percent of these employees were men.

On the other hand, about 7 percent (0.9 million) worked less than 20 hours (average of 12.4 hours), also predominantly composed of men.

# 4 out of 10 employees paid on a daily basis; 3 out of 10 on monthly basis

There were 9.6 million employees (77.9%) in private establishments who were paid on time-rate basis. Around 100,000 of them were paid per hour, 5.4 million on daily basis and 4.1 million on monthly basis. The survey recorded 2.7 million who were paid in kind and based on output of which 1.5 million were commission workers. (Table 2)

Relative to their respective populations, close to half (48.2%) of the 3.6 million women employees were paid on monthly terms compared to the 27.3 percent of the 8.7 million men in private establishments. Conversely, a bigger proportion of the men population were paid daily (47.7%) as against the 34.4 percent of the women employees.

### Average daily basic pay of women higher than that of men

Basic pay per day<sup>1</sup> in the primary job of employees in private establishments averaged to P225.36. Women had higher basic pay at P232.83 compared to the P221.92 of men. (Table 2)

Expectedly, those paid on monthly terms had the highest average basic pay at P298.58 compared to those paid on other basis of payment. Those paid in kind received the least at P125.06 per day. Daily paid employees got P186.07; those paid by the hour, P239.92.

The statistics indicated that women had relatively lower basic pay than men by basis of payment. This conflicts the observation that women, on the average, had higher basic pay than men.

However, the distribution of basic pay by intervals (*Table 3*) indicated that a greater share of men to total private employees (17.4%) were receiving basic pay of less than P150 a day compared to only 9.5 percent share of women.

Average basic pay of men in the pay intervals (P50-99 and P100-149) exceeded that of women by at most P1.59 only.

Further, the three pay intervals from P150-499, which accounted for more than half of total employees, showed higher average basic pay for women (P166.43-318.56) than men (P163.74-305.11). The average basic pay of women exceeded that of men by as much as P13.45 in these pay intervals. These situations then will push the average basic pay of all women higher than that of all men.

It may also be recalled (1st issue of this two-part series) that that there were more women employees than men in private establishments who were college degree holders. Women who were college graduates accounted for 29 percent of women employees. Men who have completed college comprised only 10 percent of their total. A higher educational attainment also partly explains why women would have higher basic pay than men.

#### 13 out of 17 regions had basic pay less than P200 a day

In January 2005 (latest available data from the LFS public use files), the National Capital Region (NCR) reported the highest average basic pay at P334.61 with women employees paid more at P344.73 than men, P328.78. Establishments in CALABARZON paid second highest average basic pay at P263.91, followed by Central Luzon at P233.66 then Cordillera Administrative Region at P222.18. In these three

regions, men employees received relatively higher basic pay than women. The lowest average basic pay was reported in Region II-Cagayan Valley at P134.16. (Table 4)

Aside from NCR, six regions (VI, VII, IX, X, XII and ARMM) recorded average basic pay of women employees higher than those of the men, exceeding by as much as P2.56 (Region XII) to P43.61 (ARMM).

1 Collection of data on basic pay began with the January 2001 round of the Labor Force Survey.

### Women had higher basic pay in industries predominated by men

In fishery; mining and quarrying; electricity, gas and water; construction; transport, storage and communications; and real estate, renting and business activities where men largely outnumbered women employees, average basic pay of women were observed to be higher. The pay difference was largest at P141.38 in transport, storage and communications and smallest at P19.75 in electricity, gas and water.

In the education industry where there were more women employees, their pay was higher than men. On the other hand, in health and social work where there were also more women than men employees, basic pay of men was slightly higher than that of women. (Table 4)

Financial intermediation recorded the highest average basic pay per day at P411.13. Agriculture, hunting and fishery paid the least at P117.51.

## Among occupation groups, only women employed as plant and machine operators and assemblers were paid higher than men

Expectedly, corporate executives, managers, managing proprietors and supervisors had the highest daily basic pay at P548.43. Notably, there was little difference between the basic pay of men (P550.23) and that of women (P545.60) in this occupation group. (Table 4)

The largest pay difference was noted among professionals where the men received P546.09 against the P460.47 of women. Receiving the

lowest average basic pay were farmers, forestry workers and fishermen at P124.14. Basic pay of laborers and unskilled workers averaged to P142.31 (men – P147.70; women – P124.67).

Though women employees comprised around 13 percent of total plant and machine operators and assemblers, their average basic pay was P254.57 compared to the P240.07 paid to the men in the same occupation group.

## Average normal hours of work slightly over 8 hours per day

In terms of normal working hours<sup>2</sup> per day, there was negligible difference between average of men (8.1) and women (8.0). NCR and Region X reported the longest normal hours of work at 8.3 while Regions II and VI the shortest at 7.8. It was in Region II and ARMM where women employees reported the shortest normal work duration of 7.6 hours.

The longest normal working hours of 8.7 was recorded in fishery; transport, storage and communications; and real estate, renting and business activities. On the other hand, the

shortest normal working hours were observed in agriculture, hunting and forestry (7.6); and other community, social and personal activities (7.5). It was also in these two industries where the women recorded short normal hours of work, 7.4 and 7.2, respectively.

Plant and machine operators and assemblers recorded the longest normal working hours at 8.7 per day. The longest normal work duration for women was observed in service and sales occupations at 8.5 hours.

2 Normal working hours refer to the usual or prescribed working hours of a person in his primary job/business which is considered a full day's work. These include the overtime hours if the person regularly works overtime.

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TABLE 1 - Employees in Private Establishments and Average Hours Worked in Primary Job by Total Hours Worked during the Past Week, Philippines: January 2005

Total Hours Worked	Number (000)				Percent		Average Hours <sup>1</sup>		
During the Past Week in Primary Job	Total	tal Men Wome		Total Men		Women	Total	Men	Women
Total	12,295	8,660	3,635	100.0	100.0	100.0			
At Work	12,124	8,534	3,590	98.6	98.5	98.8	44.7	44.8	44.5
Under 20	890	608	282	7.2	7.0	7.8	12.4	12.5	12.0
20-29	847	628	219	6.9	7.3	6.0	23.8	23.9	23.6
30-39	824	649	175	6.7	7.5	4.8	32.8	32.8	32.8
40-48	7,051	4,812	2,239	57.3	55.6	61.6	46.0	46.1	45.8
49 and over	2,512	1,836	676	20.4	21.2	18.6	63.4	63.5	63.1
Did Not Work	171	126	<i>4</i> 5	1.4	1.5	1.2	-	-	-

Note: Details on distribution of employees may not add up to total due to rounding.

TABLE 2- Employees in Private Establishments and Average Basic Pay per Day in Primary Job by Basis of Payment, Philippines: January 2005

Basis of Payment in	Nu	Number (000)			Percent		Average Basic Pay per Day <sup>1</sup> ( <del>P</del> )			
Primary Job	Total	Men	Women	Total	Men	Women	Total	Men	Women	
Total	12,295	8,660	3,635	100.0	100.0	100.0	225.36	221.92	232.83	
In Kind only	71	54	16	0.6	0.6	0.4	125.06	127.60	116.54	
Per piece	419	249	170	3.4	2.9	4.7	154.06	167.02	135.09	
Per Hour	103	64	39	0.8	0.7	1.1	239.92	236.05	246.24	
Per Day	5,377	4,127	1,249	43.7	47.7	34.4	186.07	189.90	173.42	
Monthly	4,112	2,360	1,752	33.4	27.3	48.2	298.58	300.29	296.28	
Pakyaw	480	350	130	3.9	4.0	3.6	139.79	145.29	124.96	
Other Salaries/Wages	270	215	55	2.2	2.5	1.5	176.26	184.61	143.39	
Commission Basis	1,462	1,239	223	11.9	14.3	6.1	-	-	-	

Note: Details on distribution of employees may not add up to total due to rounding.

Source of data: National Statistics Office, Labor Force Survey.

TABLE 3- Employees in Private Establishments and Average Basic Pay per Day in Primary Job by Basic Pay per Day, Philippines: January 2005

Basic Pay per Day in	Number (000)				of Total mployees		Average Basic Pay per Day <sup>1</sup> ( <del>P</del> )			
Primary Job ( <del>P</del> )	Total	Men	Women	Total	Men	Women	Total	Men	Women	
Total	12,295	8,660	3,635	100.0	70.4	29.6	225.36	221.92	232.83	
50-99	1,323	741	582	10.8	6.0	4.7	68.38	69.08	67.49	
100-149	1,987	1,401	586	16.2	11.4	4.8	110.27	110.41	109.93	
150-199	1,752	1,343	409	14.3	10.9	3.3	164.36	163.74	166.43	
200-249	1,817	1,271	545	14.8	10.3	4.4	211.20	209.26	215.75	
250-499	3,379	2,326	1,053	27.5	18.9	8.6	309.30	305.11	318.56	
500 or more	574	337	237	4.7	2.7	1.9	722.14	726.56	715.83	
Commission basis	1,462	1,239	223	11.9	10.1	1.8	-	-	-	

Note: Details on distribution of employees may not add up to total due to rounding.

Source of data: National Statistics Office, Labor Force Survey.

<sup>1</sup> Average hours pertain only to those at work during the reference week.

Source of data: National Statistics Office, Labor Force Survey.

<sup>1</sup> Average basic pay pertains only to those workers with reported pay. Commission-based workers are excluded.

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TABLE 4 - Average Normal Working Hours and Basic Pay per Day in Primary Job of Employees in Private Establishments by Region, Major Industry Group and Major Occupation Group, Philippines: January 2005

Region, Major Industry Group and Major	Number (000)			Normal Working Hours <sup>1</sup>			Average Basic Pay per Day <sup>2</sup> ( <del>P</del> )		
Occupation Group of Primary Job	Total	Men	Women		Men	Women	Total	Men	Women
Total	12,295	8,660	3,635	8.1	8.1	8.0	225.36	221.92	232.83
Region									
National Capital Region	2,329	1,511	819	8.3	8.4	8.3	334.61	328.78	344.73
Cordillera Administrative Region	135	94	41	8.1	8.1	8.2	222.18	228.80	207.64
Region I - Ilocos	498	375	123	8.1	8.1	7.9	193.63	200.16	174.40
Region II - Cagayan Valley	461	318	143	7.8	7.9	7.6	134.16	137.85	126.71
Region III - Central Luzon	1,582	1,117	465	8.0	8.0	8.0	233.66	240.55	218.46
Region IV-A - CALABARZON	1,883	1,229	654	8.1	8.2	8.1	263.91	264.03	263.72
Region IV-B - MIMAROPA	266	200	66	7.9	7.9	7.9	159.26	167.14	139.04
Region V - Bicol	559	418	141	8.0	8.1	7.9	163.99	165.10	161.16
Region VI - Western Visayas	1,052	778	274	7.8	7.8	7.7	154.71	153.97	156.54
Region VII - Central Visayas	933	647	286	8.2	8.3	8.1	196.71	193.66	203.19
Region VIII - Eastern Visayas	415	311	103	7.9	7.9	7.7	148.79	153.96	133.83
Region IX - Zamboanga Peninsula	255	199	56	8.1	8.0	8.2	154.80	148.03	175.39
Region X - Northern Mindanao	490	360	129	8.3	8.4	8.2	178.83	173.04	194.36
Region XI - Davao	627	480	147	8.2	8.1	8.3	174.84	175.40	173.10
Region XII - SOCCSKSARGEN	517	386	131	8.1	8.2	7.9	157.50	156.72	159.28
Caraga	235	189	46	8.2	8.2	8.2	168.05	169.53	161.99
ARMM	58	49	10	8.0	8.1	7.6	189.92	183.21	226.82
Major Industry Group									
Agriculture, Hunting and Forestry	2,322	1,802	520	7.6	7.7	7.4	117.51	121.74	103.86
Fishery	329	319	11	8.7	8.8	7.7	137.75	136.71	159.91
Mining and Quarrying	75	71	4	8.2	8.2	8.1	200.33	197.21	248.78
Manufacturing	2,180	1,244	936	8.1	8.1	8.1	240.15	249.08	228.54
Electricity, Gas and Water	98	83	15	8.2	8.2	8.2	346.46	343.49	363.24
Construction	1,570	1,540	30	8.1	8.0	8.3	231.97	230.73	296.34
Wholesale and Retail Trade,	,	•							
Repair of Motor Vehicles, Motorcycles									
and Personal and Household Goods	1,813	1,029	784	8.3	8.2	8.4	220.25	230.72	206.55
Hotels and Restaurants	585	312	273	8.4	8.2	8.5	227.19	240.85	211.54
Transport, Storage and Communications	1,392	1,288	104	8.7	8.8	8.0	265.92	249.27	390.65
Financial Intermediation	270	117	154	8.0	8.1	8.0	411.13	425.20	400.60
Real Estate, Renting and Business Activities	559	387	172	8.7	9.0	8.1	301.44	290.03	328.84
Education	292	92	200	7.7	7.7	7.7	381.73	372.51	386.04
Health and Social Work	181	52	128	8.1	8.1	8.2	351.65	353.05	351.09
Other Community, Social and Personal									
Service Activities	448	263	185	7.5	7.8	7.2	258.86	287.41	220.96
Other Industries	181	61	119	8.3	8.3	8.3	186.71	250.95	153.68
Major Occupation Group									
Corporate Executives, Managers,									
Managing Proprietors and Supervisors	437	268	169	8.2	8.2	8.3	548.43	550.23	545.60
Professionals	555	235	320	7.9	7.8	7.9	495.96	546.09	460.47
Technicians and Associate Professionals	461	250	211	7.9	7.8	7.9	334.69	348.74	317.92
Clerks	969	340	629	8.1	8.1	8.1	271.79	279.17	268.09
Service Workers and Shop and Market									
Sales Workers	1,721	980	741	8.6	8.7	8.5	197.20	222.55	163.85
Farmers, Forestry Workers and Fishermen	298	282	16	8.6	8.7	6.8	124.14	125.13	111.27
Trades and Related Workers	2,042	1,657	385	8.0	8.0	7.9	224.02	232.13	189.55
Plant and Machine Operators and Assemblers	1,517	1,322	195	8.7	8.7	8.4	242.75	240.07	254.57
Laborers and Unskilled Workers	4,266	3,305	961	7.8	7.9	7.7	142.31	147.70	124.67
Special Occupations	29	22	7	7.6	7.6	7.5	201.01	219.00	152.08

<sup>1</sup> Normal working hours per day refer to the usual or prescribed working hours of a person in his primary job/business which is considered a full day's work. These include the overtime hours if the person regularly works overtime.

<sup>2</sup> Average basic pay pertains only to those workers with reported pay. Commission-based workers are excluded. Source of data: National Statistics Office, Labor Force Survey.