

Wage Practices in the Industry Sector: 2006

(Third of a five-part series on Industrial Relations Practices)

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 7,630 non-agricultural sample 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 report focuses on the wage fixing practices by establishments in the industry sector composed of mining and quarrying; manufacturing; electricity, gas and water supply; and construction. It also presents the practices on mode of wage payment, type of payment, basis of payment and methods of fixing COLA.

Method Used in Fixing or Revising Wages and Salaries

Employers decide on wages of managers and supervisors in most establishments in mining and quarrying (64.6% and 51.4%), manufacturing (58.4% and 46.2%) and construction (53.6% and 38.4%).
(Table 1)

In electricity, gas and water supply, the National Electrification Administration Salary Standardization Scheme is popularly used in fixing or revising wages of managers (30.3%) and supervisors (27.1%). Although an almost the same proportion (30.1%) also claimed that employers decide on the salaries of managers.

On the other hand, wage orders of the Regional Tripartite Wage and Productivity Boards (RTWPB) were used by establishments in fixing wages of regular (28.7% for electricity, gas and water supply to 45.7% in manufacturing) and non-regular rank and file workers (45.6%

in mining and quarrying to 63.0% in electricity, gas and water supply).

However, some establishments in the industry sector also claimed that employers decide the wages of regular workers and non-regular workers (28.8% and 19.3% in mining and quarrying; 26.3% and 21.3% in construction; 21.7% and 21.8% in manufacturing).

Collective bargaining agreements (CBAs) were used in the determination of wages of regular rank and file employees in about 20% of the establishments in mining and quarrying, manufacturing and electricity, gas and water supply.

Productivity-based schemes were utilized by 19.3% of the establishments in mining and quarrying in fixing wages of their non-regular workers.

Basis of Wage Payment

Managers and supervisors in almost all establishments in the

industry sector were paid on monthly basis.

Wages of regular rank and file employees were also fixed on monthly basis in majority of establishments in electricity, gas and water supply (98.4%), mining and quarrying (45.0%), and construction (55.4%). However, daily basis of payment (62.0%) was the most prevalent in manufacturing establishments. (Table 2)

Salaries of non-regular workers were also fixed on a daily basis in 3 out of every 5 establishments in all the industry sub-sectors.

Mode of Wage Payment

As to mode of payment, salaries of managers and supervisors were paid twice a month (fortnightly) in more than half of the establishments in mining and quarrying (63.1% and 72.9%), manufacturing (63.3% and 60.8%), electricity, gas and water supply (74.1% and 72.5%) and construction (68.5% and 61.9%). (Table 2)

This mode is likewise adopted by majority of the establishments in the sector in the payment of salaries of regular and non-regular rank and file workers except in manufacturing where almost the same proportion of establishments preferred the weekly (43.6% and 44.7%) and fortnightly (43.4% and 41.4%) modes.

Method Used in Fixing COLA

The table below shows that 75.0% of the establishments in the industry sector (5,803 out of 7,736)

provided cost of living allowances or COLA to workers. By sub-sector, this is about 5 out of every 7 establishments in mining and quarrying, manufacturing; electricity, gas and water supply; and 4 out every 5 establishments in construction.

Table 3 – Number and Percent Share of Establishments in the Industry Sector Providing COLA, Philippines: June 2006

Industry Sector	Total Estabs.	With COLA	% Share
Total	7,736	5,803	75.0
Mining and Quarrying	80	58	72.5
Manufacturing	6,421	4,705	73.3
Electricity, Gas & Water Supply	501	367	73.3
Construction	734	673	83.5

Source of data: 2006 BLES Integrated Survey.

Employer's decision was the most important factor or method identified in the fixing the COLA for managers and supervisors in mining and quarrying (56.3% and 37.8%) and manufacturing (51.5% and 39.3%). Meanwhile, establishments in electricity, gas and water supply relied on wage issuances (36.3% each) and on the decision of the employer (33.4% and 29.4%). (Table 4)

For most establishments in construction, the employers decide on the COLA of managers (36.8%) while COLA for supervisors (39.3%) were based on wage orders.

Issuances on wage orders were the most common basis in the fixing of COLA of regular and non-regular workers in majority of establishments in the industry sector.

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: bleslrtd@bles.dole.gov.ph

Website at <http://www.bles.dole.gov.ph>

**TABLE 1 – Number and Percent Share of Establishments
Employing 20 or More Workers in the Industry Sector by Method Used
in Fixing or Revising Wages, Occupational Group and Sub-Sectors
Philippines: June 2006**

Method Used in Fixing Wages	Managers/ Executives		Supervisors/ Foremen		Regular		Non-Regular	
	No.	%	No.	%	No.	%	No.	%
Mining and Quarrying	65	100.0	70	100.0	80	100.0	57	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	5	7.1	16	20.0	2	3.5
Individual Agreement between Employer and Employee	11	16.9	6	8.6	4	5.0	7	12.3
Employer's Decision	42	64.6	36	51.4	23	28.8	11	19.3
Wage Restructuring due to Minimum Wage issuances of RTWPBs	7	10.8	10	14.3	29	36.3	26	45.6
Productivity-based Schemes	3	4.6	10	14.3	6	7.5	11	19.3
Manufacturing	5,987	100.0	6,034	100.0	6,390	100.0	4,482	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	235	3.9	1,149	18.0	93	2.1
Individual Agreement between Employer and Employee	1,207	20.2	1,127	18.7	549	8.6	340	7.6
Employer's Decision	3,498	58.4	2,787	46.2	1,388	21.7	977	21.8
Wage Restructuring due to Minimum Wage issuances of RTWPBs	912	15.2	1,465	24.3	2,921	45.7	2,726	60.8
Productivity-based Schemes	249	4.2	287	4.8	285	4.5	292	6.5
Electricity, Gas & Water Supply	501	100.0	487	100.0	501	100.0	419	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	45	9.2	85	17.0	26	6.2
Individual Agreement between Employer and Employee	73	14.6	53	10.9	15	3.0	13	3.1
Employer's Decision	151	30.1	91	18.7	66	13.2	16	3.8
Wage Restructuring due to Minimum Wage issuances of RTWPBs	71	14.2	101	20.7	144	28.7	264	63.0
Productivity-based Schemes	55	11.0	65	13.3	67	13.4	29	6.9
Others: NEA Standardization Scheme	152	30.3	132	27.1	124	24.8	71	16.9
Construction	677	100.0	734	100.0	734	100.0	642	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	22	3.0	49	6.7	3	0.5
Individual Agreement between Employer and Employee	240	35.5	214	29.2	127	17.3	101	15.7
Employer's Decision	363	53.6	282	38.4	193	26.3	137	21.3
Wage Restructuring due to Minimum Wage issuances of RTWPBs	54	8.0	155	21.1	308	42.0	336	52.3
Productivity-based Schemes	21	3.1	60	8.2	57	7.8	65	10.1

Source of data: BLES, 2006 BLES Integrated Survey.

**TABLE 2 –Number and Percent Share of Establishments
Employing 20 or More Workers in the Industry Sector
by Selected Wage Practices, Occupational Group and Sub-Sector
Philippines: June 2006**

Selected Wage Practices/Industry	Managers/ Executives		Supervisors/ Foremen		Regular		Non-Regular	
	No.	%	No.	%	No.	%	No.	%
BASIS OF WAGE PAYMENT								
Mining and Quarrying	65	100.0	70	100.0	80	100.0	57	100.0
Hourly	-	-	-	-	-	-	-	-
Daily	-	-	11	15.7	31	38.8	35	61.4
Weekly	-	-	2	2.9	13	16.3	4	7.0
Monthly	65	100.0	57	81.4	36	45.0	12	21.1
Output/Piece-rate	-	-	-	-	-	-	6	10.5
Manufacturing	5,987	100.0	6,034	100.0	6,390	100.0	4,482	100.0
Hourly	25	0.4	85	1.4	162	2.5	176	3.9
Daily	289	4.8	1,115	18.5	3,593	56.2	2,778	62.0
Weekly	115	1.9	300	5.0	713	11.2	438	9.8
Monthly	5,557	92.8	4,534	75.1	1,771	27.7	645	14.4
Output/Piece-rate	-	-	-	-	152	2.4	445	9.9
Electricity, Gas & Water Supply	501	100.0	487	100.0	501	100.0	419	100.0
Hourly	-	-	1	0.2	1	0.2	1	0.2
Daily	2	0.4	2	0.4	7	1.4	283	67.5
Weekly	-	-	-	-	-	-	-	-
Monthly	499	99.6	484	99.4	493	98.4	119	28.4
Output/Piece-rate	-	-	-	-	-	-	16	3.8
Construction	677	100.0	734	100.0	734	100.0	642	100.0
Hourly	-	-	-	-	-	-	23	3.6
Daily	8	1.2	121	16.5	264	36.0	375	58.4
Weekly	7	1.0	82	11.2	63	8.6	126	19.6
Monthly	662	97.8	531	72.3	407	55.4	99	15.4
Output/Piece-rate	-	-	-	-	-	-	18	2.8
MODE OF PAYMENT								
Mining and Quarrying	65	100.0	70	100.0	80	100.0	57	100.0
Daily	-	-	-	-	2	2.5	3	5.3
Weekly	-	-	7	10.0	23	28.8	13	22.8
Fortnightly	41	63.1	51	72.9	43	53.8	32	56.1
Monthly	24	36.9	11	15.7	12	15.0	8	14.0
Manufacturing	5,987	100.0	6,034	100.0	6,390	100.0	4,482	100.0
Daily	42	0.7	99	1.6	343	5.4	334	7.5
Weekly	278	4.6	856	14.2	2,787	43.6	2,002	44.7
Fortnightly	3,791	63.3	3,666	60.8	2,774	43.4	1,855	41.4
Monthly	1,876	31.3	1,414	23.4	486	7.6	291	6.5
Electricity, Gas & Water Supply	501	100.0	487	100.0	501	100.0	419	100.0
Daily	-	-	-	-	-	-	19	4.5
Weekly	40	8.0	44	9.0	44	8.8	52	12.4
Fortnightly	371	74.1	353	72.5	379	75.6	301	71.8
Monthly	90	18.0	90	18.5	79	15.8	47	11.2
Construction	677	100.0	734	100.0	734	100.0	642	100.0
Daily	-	-	3	0.4	13	1.8	39	6.1
Weekly	-	-	139	18.9	169	23.0	281	43.8
Fortnightly	464	68.5	454	61.9	421	57.4	291	45.3
Monthly	213	31.5	139	18.9	131	17.8	31	4.8

Source of data: BLES, 2006 BLES Integrated Survey.

**TABLE 4 –Number and Percent Share of Establishments
Employing 20 or More Workers in the Industry Sector
by Method Used in Fixing COLA, Occupational Group and Sub-Sector
Philippines: June 2006**

METHOD USED IN FIXING COLA	Managers/ Executives		Supervisors/ Foremen		Regular		Non-Regular	
	No.	%	No.	%	No.	%	No.	%
Mining and Quarrying	32	100.0	37	100.0	59	100.0	31	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	4	10.8	7	11.9	1	3.2
Individual Agreement between Employer and Employee	6	18.8	5	13.5	3	5.1	3	9.7
Employer's Decision	18	56.3	14	37.8	10	16.9	3	9.7
Wage Restructuring due to Minimum Wage issuances of RTWPBs	6	18.8	11	29.7	28	47.4	21	67.7
Productivity-based Schemes	2	6.3	4	10.8	2	3.4	4	12.9
Manufacturing	3,430	100.0	3,853	100.0	4,217	100.0	2,259	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	116	3.0	433	10.3	47	2.1
Individual Agreement between Employer and Employee	623	18.2	563	14.6	256	6.1	46	2.0
Employer's Decision	1,766	51.5	1,513	39.3	908	21.5	448	19.8
Wage Restructuring due to Minimum Wage issuances of RTWPBs	918	26.8	1,483	38.5	2,483	58.9	1,644	72.8
Productivity-based Schemes	82	2.4	133	3.4	94	2.2	48	2.1
Electricity, Gas & Water Supply	344	100.0	333	100.0	345	100.0	229	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	18	5.4	39	11.3	11	4.8
Individual Agreement between Employer and Employee	6	1.7	5	1.5	4	1.2	1	0.4
Employer's Decision	115	33.4	98	29.4	82	23.8	34	14.8
Wage Restructuring due to Minimum Wage issuances of RTWPBs	125	36.3	121	36.3	124	35.9	135	59.0
Productivity-based Schemes	25	7.3	24	7.2	20	5.8	15	6.6
Others	72	21.0	67	20.1	76	22.0	32	14.0
Construction	473	100.0	573	100.0	579	100.0	442	100.0
Collective Bargaining Agreement	<i>NAP</i>	-	-	-	18	3.1	2	0.4
Individual Agreement between Employer and Employee	154	32.6	150	26.2	97	16.8	49	11.1
Employer's Decision	174	36.8	196	34.2	149	25.7	82	18.6
Wage Restructuring due to Minimum Wage issuances of RTWPBs	125	26.4	225	39.3	305	52.7	299	67.6
Productivity-based Schemes	20	4.2	2	0.3	10	1.7	9	2.0

Source of data: BLES, 2006 BLES Integrated Survey.