

**2008 SURVEY OF EMPLOYMENT
IN NON-AGRICULTURAL ESTABLISHMENTS**

EMPLOYMENT PATTERNS IN INDUSTRIES

(Second of a series)

This issue of LABSTAT Updates is the second in the series of reports based on the results of the 2007/2008 BLES Integrated Survey (BITS). The BITS is a nationwide sample survey covering 6,460 non-agricultural establishments with at least 20 workers. This issue presents cross-industry comparison of employment patterns in the twelve (12) major industry groups covered in the survey.

OVERVIEW

Labor market developments in recent decades have been defined by the emergence of various forms of labor arrangements that challenged the traditional model of “full-time protected regular wage employment”. These developments have made human resource management practices in the Philippines more diversified than they were before.

This issue takes a closer look at employment patterns across the twelve (12) major industry groups covered in this survey with particular reference to the types of employment and categories of workers as they reflect current labor arrangements and hiring practices.

SURVEY HIGHLIGHTS

Composition of Employment

Total employment in non-agricultural establishments with 20 or more workers as of the payroll

period June 30, 2008 was estimated at 3.012 million.

Paid employees made up the bulk of the workforce (99.3% or 2.991 million) with working owners and unpaid workers accounting for a negligible share (0.7% or 21,240).

Paid employees can be further decomposed into three (3) types: (1) managers/executives; 2) supervisors/foremen; and

Category	Number	Percent (%)
Total Employment	3,011,801	100.0
Working Owners	17,461	0.6
Unpaid Workers	3,779	0.1
Paid Employees	2,990,562	99.3
Managers/Executives	154,364	5.1
Supervisors/Foremen	236,970	7.9
Rank and File Workers	2,599,228	86.3
- Regular	1,867,680	62.0
- Non-Regular	731,548	24.3

Source of data: Bureau of Labor and Employment Statistics, 2007/2008 BLES Integrated Survey.

3) rank and file workers. The first two categories occupied the top and the middle positions in the organization and they comprised 13.0% (391,334) of total establishment employment. The third category - rank and file workers - represented the employment base as they accounted for the biggest share of the total establishment's workforce (86.3% or 2.599 million).

With few exceptions, this employment pattern or distribution appears to be the norm across industry groups. In particular, the participation of working owners and unpaid family workers in the management and operation of the business establishment is virtually nil in all industries. (Tables 4 & 5)

However, some deviations from the norm can be observed particularly in terms of the proportion to total employment of managers and supervisors/foremen vis-à-vis the proportion to total employment of rank and file workers. Cases in point are those industries which are top heavy in terms of managerial and supervisory positions. This can be observed in three (3) industries which recorded significantly higher proportion of managerial/supervisory positions to total employment than the overall industry average of 13.0%, namely: financial intermediation (31.0%), real estate and renting (27.1%), and transport, storage and communications (20.6%). (Table 5)

In contrast, certain industries have large employment base comprising of rank and file workers and a leaner complement of managerial and supervisory positions. This structure can be observed in two (2) industries which reported exceedingly high proportions of rank and file workers

to total employment than the overall industry average of 86.3%, namely: construction and business activities which included business process outsourcing with a share of 91.5%, each.

Employment of Rank and File Workers

Of interest in human resource management is the employment of rank and file workers as they accounted for the bulk of establishment workforce. Rank and file workers are broadly categorized into regular and non-regular workers. Regular workers are those hired to perform activities which are "usually necessary or desirable in the usual business or trade of the employer". They enjoy job security, receive advancement and promotions, among others.

TABLE 2 – Proportion of Rank and File Workers in Non-Agricultural Establishments With at Least 20 Workers by Tenure of Employment, Philippines: 2004 and 2008
(In percent)

Category	2008	2004
Total Rank and File Workers	<u>100.0</u>	<u>100.0</u>
- Regular	71.9	69.7
- Non-Regular	28.1	30.3

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

Survey results revealed that nearly three-fourths (71.9% or 1.868 million) of total rank and file workers were holder of regular positions. This means that nearly three (3) in every four (4) workers in the establishment enjoy the benefits and protections provided to a regular employee. This figure represents an increase of 2.2 percentage points over the 69.7% recorded in the 2003/2004 BITS.

The proportion of regular workers to the total rank and file workers varies widely across industry groups. The highest was recorded in financial intermediation (89.0%) followed by transport, storage and communications (84.0%). As can be noted in Table 5, the employment structure in these industries was observed to have high proportions of managerial and supervisory positions in their workforce. This preference for regular workers could be their strategy in attracting the best professional workers available in the labor market and also in retaining the best performers.

On the other hand, industries where non-regular workers predominate included construction (57.0%), mining and quarrying (50.0%), and other business activities (44.8%). The proportions of non-regular workers in these industries were well above the overall industry average of 28.1%. One possible explanation for the preponderance of non-regular workers in these industries could be in the nature of their economic activities which usually involved activities of short-term duration or projects with specific date of completion. (Table 5)

Agency-Hired Workers

Another type of labor arrangement that have grown rapidly in recent years is the employment of workers through manpower agencies. Survey results indicated that about two-thirds (64.1%) of total establishments covered in this survey resorted to the hiring of agency workers to complement their workforce.

As of the period June 30, 2008, total agency-hired workers employed by the establishments was estimated at 364,571. This figure corresponds to 12.1% of total establishment employment.

Moreover, employment of agency workers has grown by as much as 69.2% when compared with the 2003/2004 BITS results which placed the total agency workers at 214,503 or only 8.9% of total establishment employment.

Category	2008	2004
Total Agency-Hired Workers	<u>364,571</u>	<u>214,503</u>
% to Total Employment	12.1	8.9

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

Establishments engaged in manufacturing and wholesale and retail trade were the biggest employer of agency workers as they accounted for 46.6% (169,838) and 16.4% (59,941) of the total agency-hired workers, respectively. Notable proportions were also registered in transport, storage and communications (6.4% or 23,418); financial intermediation (5.9% or 21,332); and hotels and restaurants (5.1% or 18,492). (Table 6)

The chunk of agency employment hiring was concentrated in security services (119,342) and janitorial services (50,394). Together, they comprised close to one-half (46.6% or 169,736) of the total reported agency-hired workers.

Equally important were those hired to perform services related to production/assembly which comprised 30.0% (109,463) of total agency employment and were fairly significant in manufacturing and construction.

Other types of services for which agency-hired workers predominated include marketing/sales (8.4%); general administrative services (3.9%); and transport services (3.3%).

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**TABLE 4 – Total Employment in Non-Agricultural Establishments
With 20 or More Workers by Type of Worker and
Major Industry Group, Philippines: June 2008**

Major Industry Group	Total Employment	Working Owners and Unpaid Workers	Paid Employees			
			Managers/ Executives	Super-visors/ Foremen	Rank and File Workers	
					Regular Workers	Non-Regular Workers
ALL INDUSTRIES	<u>3,011,801</u>	<u>21,240</u>	<u>154,364</u>	<u>236,970</u>	<u>1,867,680</u>	<u>731,548</u>
Mining & Quarrying	24,721	a	698	2,702	10,658	10,655
Manufacturing	919,387	3,844	33,208	67,983	609,117	205,236
Electricity, Gas & Water Supply	91,606	557	3,367	11,018	60,950	15,713
Construction	95,152	586	2,919	4,601	37,386	49,658
Wholesale & Retail Trade	367,460	4,116	20,547	31,311	225,124	86,363
Hotels & Restaurants	150,501	1,483	11,270	10,688	81,293	45,766
Transport, Storage & Communications	184,713	1,565	12,467	25,600	121,893	23,189
Financial Intermediation	172,620	918	31,294	22,176	105,202	13,030
Real Estate, Renting & Business Activities	614,529	1,502	20,953	34,444	345,251	212,379
<i>Real Estate & Renting</i>	23,944	128	3,576	2,913	13,264	4,063
<i>Business Activities</i>	590,584	1,373	17,377	31,532	331,987	208,316
- <i>Call Center/Medical Transcription</i>	247,085	a	6,343	18,938	156,129	65,586
- <i>Other Business Activities</i>	343,499	1,285	11,034	12,593	175,857	142,730
Private Education	229,710	4,103	10,765	12,994	157,268	44,580
Health & Social Work	91,518	1,988	2,612	5,325	68,346	13,247
Other Community, Social & Personal Service Activities	69,884	572	4,263	8,127	45,191	11,731

a Less than 100.

Source of data: Bureau of Labor and Employment Statistics, 2007/2008 BLES Integrated Survey.

**TABLE 5 – Percent Share of Categories of Worker to Total Employment
in Non-Agricultural Establishments With 20 or More Workers
by Major Industry Group, Philippines: June 2008**

Major Industry Group	Total Employment	Share to Total Employment (%)			Share to Total Rank and File Workers (%)	
		Working Owners/ Unpaid Workers	Managers/ Executives & Super-visors/ Foremen	Rank and File Workers	Regular Workers	Non-Regular Workers
ALL INDUSTRIES	<u>3,011,801</u>	<u>0.7</u>	<u>13.0</u>	<u>86.3</u>	<u>71.9</u>	<u>28.1</u>
Mining & Quarrying	24,721	a	13.8	86.2	59.0	50.0
Manufacturing	919,387	0.4	11.0	88.6	74.8	25.2
Electricity, Gas & Water Supply	91,606	0.6	15.7	83.7	79.5	20.5
Construction	95,152	0.6	7.9	91.5	43.0	57.0
Wholesale & Retail Trade	367,460	1.1	14.1	84.8	72.3	27.7
Hotels & Restaurants	150,501	1.0	14.6	84.4	64.0	36.0
Transport, Storage & Communications	184,713	0.8	20.6	78.5	84.0	16.0
Financial Intermediation	172,620	0.5	31.0	68.5	89.0	11.0
Real Estate, Renting & Business Activities	614,629	0.2	9.0	90.7	61.9	38.1
<i>Real Estate & Renting</i>	23,944	0.5	27.1	72.4	76.5	23.5
<i>Business Activities</i>	590,584	0.2	8.3	91.5	61.4	38.6
- <i>Call Center/Medical Transcription</i>	247,085	a	10.2	89.7	70.4	29.6
- <i>Other Business Activities</i>	343,499	0.4	6.9	92.7	55.2	44.8
Private Education	229,710	1.8	10.3	87.9	77.9	22.1
Health & Social Work	91,518	2.2	8.7	89.2	83.8	16.2
Other Community, Social & Personal Services Activities	69,884	0.8	17.7	81.5	79.4	20.6

Source of data: Bureau of Labor and Employment Statistics, 2007/2008 BLES Integrated Survey (BITS).

TABLE 6 – Number of Agency-Hired Workers in Non-Agricultural Establishments With 20 or More Workers by Major Industry Group, Philippines: June 2008

Major Industry Group	Number of Agency-Hired Workers	Percent
ALL INDUSTRIES	<u>364,571</u>	<u>100.0</u>
Mining & Quarrying	1,660	0.5
Manufacturing	169,838	46.6
Electricity, Gas & Water Supply	16,878	4.6
Construction	2,787	0.8
Wholesale & Retail Trade	59,941	16.4
Hotels & Restaurants	18,492	5.1
Transport, Storage & Communications	23,418	6.4
Financial Intermediation	21,332	5.9
Real Estate, Renting & Business Activities	15,328	4.2
<i>Real Estate & Renting</i>	5,264	1.4
<i>Business Activities</i>	10,064	2.8
- <i>Call Center/Medical Transcription</i>	2,468	0.7
- <i>Other Business Activities</i>	7,596	2.1
Private Education	18,102	5.0
Health & Social Work	6,509	1.8
Other Community, Social & Personal Service Activities	10,286	2.8

Source of data: Bureau of Labor and Employment Statistics, 2007/2008 BLES Integrated Survey.

TABLE 7 – Number of Agency-Hired Workers in Non-Agricultural Establishments With 20 or More Workers by Type of Jobs/Service Contracted Out, Philippines: June 2008

Type of Service	Number of Agency-Hired Workers	Percent
ALL SERVICES	<u>364,571</u>	<u>100.0</u>
Security Services	119,342	32.7
Janitorial Services	50,394	13.8
General Administrative Services	14,282	3.9
Marketing/Sales	30,736	8.4
Packaging	6,158	1.7
Transport Services	12,109	3.3
Production/Assembly	109,463	30.0
Research and Development	648	0.2
IT Services	2,165	0.6
General Services	897	0.2
Food and Catering	4,321	1.2
Repair and Maintenance	3,059	0.8
Others	11,035	3.0

Source of data: Bureau of Labor and Employment Statistics, 2007/2008 BLES Integrated Survey.