

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

STATISTICS ON AGENCY-HIRED WORKERS

(Fourth of a series)

This issue of LABSTAT Updates is the fourth in the series of reports based on the results of the 2007/2008 BLES Integrated Survey of Establishments (BITS). The BITS is a nationwide sample survey covering 6,460 non-agricultural establishments with at least 20 workers. This report presents statistics on the employment of agency-hired workers as another form of contingent work arrangements resorted to by some firms in their attempts to reduce cost and compete in the market place.

OVERVIEW

The practice by establishments of hiring workers through intermediaries or employment agencies continued to grow over the past years. It has also evolved into various forms of services - a big departure from its traditional role of providers of security and janitorial services. Today, manpower agencies offer a wide range of services that encompasses both the core and non-core activities of a firm. This type of work arrangement, however, raises certain issues in some industries particularly those related with worker's security of tenure and their social security benefits.

This LABSTAT Updates presents statistics on the: (1) extent to which firms or establishments across industry groups resort to agency-hired workers to augment their workforce; and (2) types of jobs/services which the firms outsourced to manpower agencies to cut their operating costs.

The term agency-hired workers was defined in the 2007/2008 BITS as "workers hired through agencies and contractors to perform or complete a job, work or service within the premises of the establishment". By definition, agency-hired workers were not considered part of the total employment of establishments.

SURVEY HIGHLIGHTS

Establishments with Agency-Hired Workers

- The engagement of agency-hired workers was reported in about two-thirds (64.1% or 15,675) of the total 24,457 non-agricultural establishments with at least 20 workers in June 2008. *(Table 1)*
- This proportion varies across industries with the highest posted in health and social work (78.4%) followed by electricity, gas and water supply (77.0%)

and financial intermediation (73.1%). The lowest was noted in real estate, renting and business activities (31.7%). (Table 2)

Number of Agency-Hired Workers

- While the proportion of establishments resorting to this type of work flexibility tended to be large, the employment they created is quite modest. Survey results placed the number of agency-hired workers at 364,610 or just 10.8% of the total 3.376 million persons engaged by the establishments in 2008.

- Establishments engaged in manufacturing and wholesale and retail trade were the two biggest employers of agency-hired workers. Together, they accounted for nearly two thirds (63.0% or 229,818) of the total agency-hired workers reported in 2008. Fairly large numbers were also reported in transport, storage and communications (23,418); financial intermediation (21,332); hotels and restaurants (18,492); private education (18,102); and electricity, gas and water supply (16,878). (Table 3)

- Their presence was less visible in mining and quarrying and construction – their share to total agency-hired workers was less than one percent each.

- The presence of agency-hired workers across industries can also be viewed in terms of their share to respective industry workforce (i.e., total persons engaged). For both manufacturing and electricity, gas and water supply, and wholesale and retail trade, the figures were placed at 15.6% and 14.0%, respectively. This

TABLE 1 – Number of Establishments and Total Employment in Non-Agricultural Establishments With 20 or More Workers With or Without Agency-Hired Workers, Philippines: June 2008

Item	Number
NO. OF ESTABLISHMENTS	24,457
- With agency-hired workers	15,675
- Without agency-hired workers	8,782
<i>Percent of establishments with agency-hired workers</i>	<i>64.1</i>
TOTAL PERSONS ENGAGED ('000)	3,376
- Establishment employment	3,012
- Agency-hired workers	365
<i>Percent share of agency-hired workers to total persons engaged</i>	<i>10.8</i>

Source of data: Bureau of Labor and Employment Statistics,

means that roughly one in every six persons in their workforce came from employment agencies.

- Notable shares were also recorded in other community, social and personal service activities (12.8%); transport, storage and communications (11.3%); financial intermediation (11.0%); and hotels and restaurants (10.9%).

Type of Services

- Many firms or establishments continued to rely on agencies to supply their security and janitorial manpower needs. As the data suggest, nearly one-half (46.6% or 169,736) of total agency employment in 2008 were hired for these twin purposes. (Table 4)

This proportion varies across industries. For security services, a high proportion was observed in electricity, gas and water supply (63.7%) while for janitorial services, the highest

figure was noted in health and social work (45.6%).

- The next largest group of agency workers were those hired to perform activities related to production/assembly – they accounted for more than one-fourth (27.5% or 100,287) of total reported agency employment of 364,610.

This practice was peculiar to manufacturing industry but confined only to a small fraction (9.9%) of total number of manufacturing establishments, i.e., 578 out of 5,840 establishments.

- Other types of job orders/services that can be considered industry specific were those relating to food and catering in hotels and restaurants; marketing/sales in wholesale and retail trade; and packaging in manufacturing and wholesale and retail trade.

In particular, hotels and restaurants accounted for almost all of agency-hired workers involved in food and catering (96.1%). On the other hand, the wholesale and retail trade industry accounted for a little more than half (51.2%) of agency workers engaged in marketing/sales. Meanwhile, agency workers involved in packaging were primarily engaged by establishments in wholesale and retail trade (58.7%) and manufacturing (40.6%).

- The rest of the agency-hired workers were engaged in jobs/services that have common application across industries.

It can be observed that their corresponding share to total agency employment tended to be low or negligible: general administrative services (3.9% or 14,282), transport services (3.7% or 13,408), repair and maintenance (0.8% or 3,059), IT services (0.6% or 2,165), general services (0.2% or 897) and research and development (0.2% or 648).

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TABLE 2 – Number of Establishments With Agency-Hired Workers in Non-Agricultural Establishments With 20 or More Workers by Major Industry Group, Philippines: June 2008

Major Industry Group	Total Establishments	Establishments with Agency-Hired Workers	
		Number	Percent Share
ALL INDUSTRIES	<u>24,457</u>	<u>15,675</u>	<u>64.1</u>
Mining and Quarrying	60	37	61.7
Manufacturing	5,840	3,944	67.5
Electricity, Gas and Water Supply	552	425	77.0
Construction	618	265	42.9
Wholesale and Retail Trade	5,407	3,745	69.3
Hotels and Restaurants	2,941	1,934	65.8
Transport, Storage and Communications	1,416	936	66.1
Financial Intermediation	1,135	830	73.1
Real Estate, Renting and Business Activities	2,476	785	31.7
<i>Real Estate and Renting</i>	308	199	64.6
<i>Business Activities</i>	2,168	586	27.0
<i>Call Centers Activities including Medical Transcriptions</i>	148	92	62.2
<i>Other Business Activities</i>	2,020	494	24.5
Private Education Services	2,624	1,778	67.8
Health and Social Work	679	532	78.4
Other Community, Social and Personal Service Activities	709	464	65.4

Note: Details may not add up to totals due to rounding of figures.

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

TABLE 3 – Total Employment and Agency-Hired Workers in Non-Agricultural Establishments With 20 or More Workers by Major Industry Group, Philippines: June 2008

Major Industry Group	Total Persons Engaged	Total Employment	Agency-Hired Workers		
			Number	Percent Distribution	Percent Share to Total Persons Engaged
ALL INDUSTRIES	3,376,411	3,011,801	364,610	100.0	10.8
Mining and Quarrying	26,381	24,721	1,660	0.5	6.3
Manufacturing	1,089,264	919,387	169,877	46.6	15.6
Electricity, Gas and Water Supply	108,484	91,606	16,878	4.6	15.6
Construction	97,939	95,152	2,787	0.8	2.8
Wholesale and Retail Trade	427,401	367,460	59,941	16.4	14.0
Hotels and Restaurants	168,993	150,501	18,492	5.1	10.9
Transport, Storage and Communications	208,131	184,713	23,418	6.4	11.3
Financial Intermediation	193,952	172,620	21,332	5.9	11.0
Real Estate, Renting and Business Activities	629,857	614,529	15,328	4.2	2.4
<i>Real Estate and Renting</i>	29,208	23,944	5,264	1.4	18.0
<i>Business Activities</i>	600,648	590,584	10,064	2.8	1.7
<i>Call Centers Activities Including Medical Transcriptions</i>	249,553	247,085	2,468	0.7	1.0
<i>Other Business Activities</i>	351,095	343,499	7,596	2.1	2.2
Private Education Services	247,812	229,710	18,102	5.0	7.3
Health and Social Work	98,027	91,518	6,509	1.8	6.6
Other Community, Social and Personal Service Activities	80,170	69,884	10,286	2.8	12.8

Note: Details may not add up to totals due to rounding of figures.

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

TABLE 4 - Number of Agency-Hired Workers in Non-Agricultural Establishments With 20 or More Workers by Major Industry Group and Type of Jobs/Services Contracted Out, Philippines: June 2008

Major Industry Group	Total Number of Agency-Hired Workers	Security Services	Janitorial Services	General Administrative Services	Marketing/Sales	Packaging	Transport Services	Production/Assembly	Research and Development	IT Services	General Services	Food and Catering	Repair and Maintenance	Others
ALL INDUSTRIES	364,610	119,342	50,394	14,282	30,736	11,225	13,408	100,287	648	2,165	897	5,339	3,059	12,827
Mining and Quarrying	1,660	821	86	107	-	-	169	-	90	25	-	-	279	84
Manufacturing	169,877	28,330	12,500	2,144	11,977	4,561	6,698	100,287	138	297	9	-	657	2,278
Electricity, Gas and Water Supply	16,878	10,745	3,432	441	-	-	99	-	7	41	30	-	-	2,083
Construction	2,787	1,238	239	111	140	-	105	-	70	70	-	-	-	814
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	59,941	24,081	8,708	1,968	15,727	6,594	888	-	15	234	288	186	25	1,226
Hotels and Restaurants	18,492	7,068	1,942	1,248	303	48	456	-	37	82	-	5,129	605	1,573
Transport, Storage and Communications	23,418	11,958	2,930	1,521	1,205	1	3,594	-	-	210	71	-	74	1,853
Financial Intermediation	21,332	10,168	4,416	4,177	827	-	769	-	3	277	374	-	-	319
Real Estate, Renting and Business Activities	15,328	7,707	3,646	947	382	8	209	-	257	680	64	24	561	843
<i>Real Estate and Renting</i>	5,264	2,627	1,054	181	54	-	61	-	-	31	-	-	551	705
<i>Business Activities</i>	10,064	5,080	2,593	766	328	8	148	-	257	648	64	24	10	139
<i>Call Center Activities Including</i>														
<i>Medical Transcription</i>	2,468	1,088	1,210	54	-	-	30	-	-	7	2	24	10	44
<i>Other Business Activities</i>	7,596	3,992	1,383	712	328	8	117	-	257	641	62	-	-	94
Private Education Services	18,102	9,478	7,132	909	-	-	69	-	2	94	-	-	9	409
Health and Social Work Except Public Medical, Dental and Other Health Services	6,509	2,750	2,971	405	-	-	20	-	-	14	22	-	147	180
Other Community, Social and Personal Service Activities	10,286	4,997	2,392	302	175	13	332	-	28	140	39	-	703	1,165

Note: Details may not add up to totals due to rounding of figures.

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