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2010 SURVEY OF EMPLOYMENT in Philippine Industry and Services Sectors

STATISTICS ON AGENCY-HIRED WORKERS

(Third of a four-part series)

This LABSTAT Updates is based on the results of the 2009/2010 BLES Integrated Survey of Establishments (BITS). The BITS is a nationwide sample survey covering 6,780 non-agricultural establishments with at least 20 workers. This issue presents statistics on the employment of agency-hired workers as one form of contingent work arrangements resorted to by some firms in their attempts to reduce cost and compete in the market place as of June 30, 2010. Specifically, it discusses: (1) the extent to which firms or establishments across industry groups resort to agency-hired workers to augment their workforce; and (2) the number of agency-hired workers by industry and types of jobs/services for which they were engaged.

OVERVIEW

The practice by establishments of hiring workers through intermediaries or employment agencies constitutes one form of contracting and subcontracting arrangements that is expressly allowed by law per Department Order No. 18-A "subject to regulations for the promotion of employment and the observance of the rights of workers to just and humane conditions of work, security of tenure, self-organizations and collective bargaining."

The term *agency-hired workers* is defined in the 2009/2010 BITS as "workers hired through agencies and contractors to perform or complete a specific job, work or service within a definite or predetermined period and within the premises of the establishment pursuant to a service agreement with a principal."

SURVEY HIGHLIGHTS

Establishments with Agency-Hired Workers

- The engagement of agency-hired workers was reported in about one-half (48.0% or 11,388) of the estimated 23,723 non-agricultural establishments with at least 20 workers in June 2010. (Table 1)
- Industry-wise, electricity, gas and water supply posted the highest percent share (56.9%) followed by financial intermediation (53.4%) and private health and social work (52.1%). The lowest was noted in real estate, renting and business activities (29.1%).

Number of Agency-Hired Workers

- Survey results placed the number of agency-hired workers at 341,703 or 10.1% of the total 3.384 million persons engaged by the establishments in June 30, 2010.
- The two biggest employers of agency-hired workers were establishments engaged in manufacturing (157,209), and wholesale and retail trade (51,015) – together, they accounted for about three-fifths of the total agency-hired workforce. Relatively lesser numbers were reported in real estate, renting and business activities (24,236); financial intermediation (19,902); hotels and restaurants (19,691); and transport, storage and communications (18,599). (Table 2)
- The importance of agency-hired workers to an industry can also be viewed in terms of their share to respective industry workforce (i.e., total persons engaged). For manufacturing, the figures were placed at 15.9% - this means that roughly one in every six workers in manufacturing came from employment agencies.
- More than 10% of total engaged were also noted in wholesale and retail trade, and mining and quarrying – both at 12.3%; financial intermediation (11.8%); and other community, social and personal service activities (10.5%).

Indicators	Number
NUMBER OF ESTABLISHMENTS	23,723
With agency-hired workers	11,388
Without agency-hired workers	12,335
% of establishments with agency workers	48.0
TOTAL PERSONS ENGAGED ('000)	3,384
Establishment employment	3,043
Agency-hired workers	342
% share of agency-hired workers to total persons engaged	10.1

Note: Details may not add up to totals due to rounding of figures.
Source: BLES, 2009/2010 BITS.

Type of Services Contracted Out

- Agency-hired workers were employed in the establishments predominantly to provide security and janitorial services. Survey data suggest that more than two-fifths (43.7% or 149,378) of total agency employment in 2010 were hired for these tasks. (Table 3)

The proportion varies across industries. For security services, exceptionally high proportion was observed in electricity, gas and water supply (70.3% or 5,294); and financial intermediation (65.3% or 12,987) while for janitorial services, the highest proportion was noted in private health and social work (47.7% or 3,201); and private education services (40.3% or 6,769).

- The next largest group of agency workers were those hired to perform activities related to production/assembly – they accounted for nearly one-third (30.2% or 103,192) of total reported agency employment of 341,703.

- Almost all of the production/assembly workers were found in manufacturing (99.5% or 102,640).
- Although agency-hired workers in production/assembly were peculiar to manufacturing industry, it was confined only to a small proportion (12.0% or 631) of the total number of manufacturing establishments (5,253) – mostly, in manufacturing of food products except beverages (99); and manufacturing of plastic products (81).
- Agency-hired workers that can be considered industry specific were those in:
 - Food service and catering in hotels and restaurants (81.5% or 6,041);
 - Marketing/sales in wholesale and retail trade industry (75.7% or 15,365);
 - Packaging in manufacturing (48.3% or 8,886) and wholesale and retail trade (47.4% or 8,722);
 - Research and development in other business activities (89.1% or 1,598);
 - Warehousing in manufacturing (48.9% or 1,055).
- The rest of the agency-hired workers were engaged in jobs/services that were generally common across industries such as general administrative, repair and maintenance, IT services and logistics/transport services.

FOR INQUIRIES

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TABLE 1 – Establishments with Agency-Hired Workers in Non-Agricultural Establishments with 20 or More Workers by Major Industry Group, Philippines: 2010

MAJOR INDUSTRY GROUP	Total Establishments	Establishments with Agency-Hired Workers		
		Number	% Share to Industry	% Distribution
ALL INDUSTRIES	23,723	11,388	48.0	100.0
Mining and Quarrying	55	28	50.8	0.2
Manufacturing	5,253	2,680	51.0	23.5
Electricity, Gas and Water Supply	575	327	56.9	2.9
Construction	645	321	49.8	2.8
Wholesale and Retail Trade	4,928	2,539	51.5	22.3
Hotels and Restaurants	3,166	1,529	48.3	13.4
Transport, Storage and Communications	1,341	580	43.2	5.1
Financial Intermediation	972	519	53.4	4.6
Real Estate, Renting and Business Activities	2,749	801	29.1	7.0
Private Education Services	2,639	1,365	51.7	12.0
Private Health and Social Work	616	321	52.1	2.8
Other Community, Social and Personal Service Activities	784	378	48.3	3.3

*Note: Details may not add up to totals due to rounding of figures.
Source: BLES, 2009/2010 BITS.*

TABLE 2 - Total Employment and Agency-Hired Workers in Non-Agricultural Establishments with 20 or More Workers by Major Industry Group, Philippines: 2010

MAJOR INDUSTRY GROUP	Total Persons Engaged	Total Employment	Agency-Hired Workers		
			Number	% Share to Total Persons Engaged	% Distribution
ALL INDUSTRIES	3,384,453	3,042,750	341,703	10.1	100.0
Mining and Quarrying	22,182	19,450	2,733	12.3	0.8
Manufacturing	990,623	833,414	157,209	15.9	46.0
Electricity, Gas and Water Supply	88,359	80,826	7,533	8.5	2.2
Construction	137,642	131,216	6,426	4.7	1.9
Wholesale and Retail Trade	413,872	362,857	51,015	12.3	14.9
Hotels and Restaurants	215,766	196,075	19,691	9.1	5.8
Transport, Storage and Communications	187,050	168,452	18,599	9.9	5.4
Financial Intermediation	168,851	148,949	19,902	11.8	5.8
Real Estate, Renting and Business Activities	706,744	682,508	24,236	3.4	7.1
Private Education Services	255,810	239,014	16,796	6.6	4.9
Private Health and Social Work	94,112	87,408	6,704	7.1	2.0
Other Community, Social and Personal Service Activities	103,442	92,582	10,860	10.5	3.2

*Note: Details may not add up to totals due to rounding of figures.
Source: BLES, 2009/2010 BITS.*

TABLE 3 – Agency-Hired Workers in Non-Agricultural Establishments with 20 or More Workers by Type of Jobs/Services Contracted Out and Major Industry Group, Philippines: 2010

AGENCY-HIRED WORKERS	MAJOR INDUSTRY GROUP												
	All Industries	Mining and Quarrying	Manufacturing	Electricity, Gas, and Water Supply	Construction	Wholesale and Retail Trade	Hotels and Restaurants	Transport, Storage and Communications	Financial Intermediation	Real Estate, Renting and Business Activities	Private Education Services	Private Health and Social Work	Other Community, Social and Personal Service Activities
TOTAL	341,703	2,733	157,209	7,533	6,426	51,015	19,691	18,599	19,902	24,236	16,796	6,704	10,860
Security Services	98,790	1,105	22,542	5,294	1,064	16,453	7,478	6,559	12,987	10,899	8,140	2,649	3,618
Janitorial	50,588	84	12,360	1,372	308	5,945	3,301	3,509	3,753	7,252	6,769	3,201	2,732
General Administrative	14,406	165	3,614	309	176	1,748	1,307	2,137	1,938	1,451	975	295	291
Marketing/Sales	20,285	-	1,988	-	-	15,365	163	1,000	163	519	-	1	1,087
Packaging	18,397	-	8,886	-	-	8,722	-	789	-	-	-	-	-
Production/Assembly	103,192	551	102,640	-	-	-	-	-	-	-	-	-	-
Research and Development	1,692	-	71	4	-	16	-	3	-	1,598	-	-	-
IT Services	3,384	-	736	11	35	214	56	443	548	916	179	19	228
Cashier	477	-	-	-	-	453	-	-	-	-	24	-	-
Food Service/Catering	7,410	-	-	-	-	-	6,041	-	-	-	41	19	1,310
Human Resource	20	-	1	-	-	-	-	-	-	19	-	-	-
Messengerial	453	-	28	1	1	51	-	33	217	107	-	-	13
Billing/Payment	194	-	-	185	-	1	-	-	8	-	-	-	-
Logistics/Transport	6,630	-	1,176	15	295	831	1,237	2,446	139	312	85	28	67
Repair/Maintenance/Construction	8,890	32	1,217	192	4,491	419	108	461	149	182	546	269	824
Data Processing/Encoding	165	-	5	-	-	20	-	-	-	140	-	-	-
Warehousing	2,156	-	1,055	-	-	306	-	566	-	230	-	-	-
Medical/Health Services	138	-	45	-	-	-	-	-	-	5	14	74	-
Others	4,436	795	844	149	55	472	-	651	-	607	22	149	692

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

Source: BLES, 2009/2010 BITS.