

## WAGE RATES IN INDUSTRIES

### A Look at Hotels and Restaurants (6th of a Series)

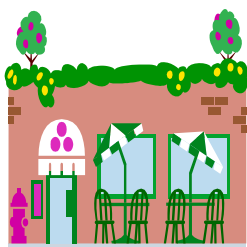
*The LABSTAT Updates is a statistical update on the results of BLES establishment surveys, among others. It provides users with summary statistics and brief explanatory notes on employment, hours of work, wages and labor relations towards a clearer understanding of current labor market conditions.*

*This series presents the results of the 1999 Occupational Wages Survey (OWS). This survey collects data on the basic pay and allowances of time-rate workers on full time basis in selected occupations in selected non-agricultural establishments employing at least 50 persons. It inquires on the distribution of workers across basic pay and allowance intervals in the non-agricultural sector. New items of inquiry on establishment characteristics such as type of market catered, type of ownership and whether or not the establishment is a multinational were included in the 1999 round.*

*This issue takes a closer look at hotels and restaurants, particularly basic pay and allowances in specific industries and according to certain establishment characteristics and average wage rates for selected occupations.*

*The statistical series on the results of the 1997 OWS were published under the LABSTAT Digest (Vol. 1 Nos. 5 – 10 and 12 - 19).*

### AVERAGE BASIC PAY OF WORKERS IN HOTELS AND RESTAURANTS UP BY 9 PERCENT



Hotels and restaurant businesses have been at the forefront of the country's tourism industry. Under Globalization, strengthening the tourism industry has been strategic towards attracting investments and boosting the country's foreign exchange reserves.

From ₱ 5,534 in October 1997, the average\* monthly basic pay of time-rate workers in non-agricultural industries increased by 13 percent to ₱ 6,238 in October 1999.

In hotels and restaurants, average monthly basic pay went up by only 9 percent from ₱ 5,449 to ₱ 5,945 during the same period. (Table 1)

*\*Average basic pay or allowance mentioned in pages 1-2 refers to median basic pay or allowance i.e. that amount where half of the workers receive more than this amount while the other half receive less.*

## **SLIGHT IMPROVEMENT IN ALLOWANCES IN HOTELS AND RESTAURANTS**

Average monthly cash allowance of time-rate workers in non-agricultural industries increased by a little over one percent from ₱ 658 in October 1997 to ₱ 667 in October 1999.

Though slightly higher than the all-industry level, there was a slight improvement in the allowances of workers in hotels and restaurants from ₱ 669 to ₱ 689. (Table 1)

## **HOTELS AND RESTAURANTS WITH FOREIGN EQUITY; MULTINATIONALS: HAD HIGHER BASIC PAY**

Basic pay in hotels and restaurants showed considerable differences in pay levels according to ownership and spread of operations.

Hotels and restaurants with foreign equity had average basic pay of ₱7,737. This was higher by 35 percent over the basic pay of

workers in wholly Filipino-owned establishments given at ₱ 5,712.

Among multinational hotels and restaurants basic pay averaged ₱ 7,439. It was lower by 30 percent in non-multinational establishments at only ₱ 5,713. (Table 2)

## **HIGHER ALLOWANCE FOR WORKERS IN HOTELS AND RESTAURANTS WITH FOREIGN EQUITY; MULTINATIONAL**

Higher monthly cash allowances were noted among multinational hotels and restaurants and those with foreign equity. In multinational establishments, cash allowances averaged ₱ 2,235. This was more than thrice the average cash allowances granted to workers in non-multinational firms at ₱ 651.

Meanwhile, the average monthly cash allowance paid to workers in hotels and restaurants with foreign equity stood at ₱ 1,045. In wholly Filipino-owned establishments, cash allowances averaged only ₱ 687. (Table 2)

## **UNIONIZED WORKERS ENJOYED HIGHER BASIC PAY AND ALLOWANCE**

Unionism for the purpose of collective bargaining is one of the basic rights of workers. It enables unions to secure for their ranks the best possible terms and conditions of work.

Workers in unionized hotels and restaurants received an average monthly basic pay of ₱ 7,631. This was higher by 33 percent than the basic pay of

workers in non-unionized hotels and restaurants estimated at ₱ 5,720.

Among unionized establishments, those with existing CBA had higher basic pay averaging ₱ 7,658. In unionized establishments without CBA, it stood at only ₱ 4,523.

Average monthly cash allowances differed slightly between non-unionized (₱ 613) and unionized establishments (₱ 776). To note, in unionized establishments, only those with CBA granted cash allowances. (Table 2)

### ON NON-WAGE PAYMENTS

Average basic pay and allowance appeared to vary across certain establishment characteristics under study, such as ownership and whether multinational or not. Further worth looking into, however, are differences in the granting of welfare benefits such as 13<sup>th</sup> month pay, transport allowance, Christmas bonus, representation

allowance, incentive pay, mid-year bonus, productivity bonus, performance bonus, profit sharing bonus and 14<sup>th</sup>, 15<sup>th</sup> month pay. These are among the findings of the 1999 Industrial Relations at the Workplace Survey and details of which are discussed in the LABSTAT Update (Vol. 5 No. 6), May 2001.

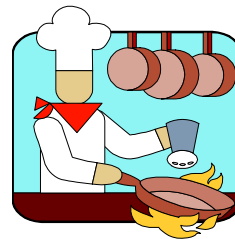
### COOKS WERE HIGHEST PAID SERVICE WORKERS

The average (mean) wage rate of selected occupations in non-agricultural industries stood at ₱ 7,972. (Table 3)

Accountants and auditors in the hotel and restaurant industry were the professional workers covered in the study. Their wage rate was the highest among the covered occupations averaging ₱ 12,478.

Wage rates of clerical workers in the industry varied slightly. It was estimated at

₱ 7,430 for accounting and bookkeeping clerks and ₱ 7,125 for receptionists and information clerks.



Cooks were the highest paid service workers in the industry at ₱ 7,949. This was followed by housekeepers and related workers at ₱ 7,787. Service crew were the lowest paid service workers at ₱ 5,171. (Table 3)

---

#### FOR INQUIRIES:

Regarding this report contact **LABOR STANDARDS STATISTICS DIVISION** at 527-34-89/527-93-25  
Regarding other statistics and technical services contact **BLES DATABANK** at 527-35-77  
Or Write to BLES c/o **Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002**  
FAX 527-34-89 E mail: [lssd@manila-online.net](mailto:lssd@manila-online.net) or visit our website at <http://www.manila-online.net/bles>

---

**TABLE 1 - MEDIAN MONTHLY BASIC PAY AND MONTHLY ALLOWANCES  
OF TIME-RATE WORKERS ON FULL-TIME BASIS IN HOTELS  
AND RESTAURANTS, PHILIPPINES: OCTOBER 1999**

*(Non-agricultural establishments employing 50 and over. Median refers to the amount where half of the workers receive more while the other half receive less.)*

INDUSTRY	Median Monthly Basic Pay (₱)	Median Monthly Allowances <sup>1</sup> (₱)
<b>ALL NON-AGRICULTURAL INDUSTRIES</b>	<b>6,238</b>	<b>667</b>
<b>HOTELS AND RESTAURANTS</b>	<b>5,945</b>	<b>689</b>

*Notes: 1. Basic pay refers to pay for normal/regular working time before deductions for employees' social security contributions and withholding taxes. It excludes overtime, night shift differential and other premium pay; commissions, tips and share of employees in service charge; and payment in kind.*

*2. Allowances refer to regular/guaranteed cash payments. These include living allowance but exclude reimbursements for travel, entertainment, meals and other expenses, etc. incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; family allowances.*

<sup>1</sup> Refer only to those workers given regular/guaranteed cash allowances.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.

**TABLE 2 - MEDIAN MONTHLY BASIC PAY AND MONTHLY ALLOWANCES  
OF TIME-RATE WORKERS ON FULL TIME BASIS IN HOTELS  
AND RESTAURANTS BY UNIONISM, TYPE OF OWNERSHIP,  
TYPE OF MARKET AND SPREAD OF OPERATIONS,  
PHILIPPINES: OCTOBER 1999**

*(Non-agricultural establishments employing 50 and over. Median refers to the amount where half of the workers receive more while the other half receive less.)*

Establishment Characteristics	Median Monthly Basic Pay (₱)	Median Monthly Allowances <sup>1</sup> (₱)
<b>HOTELS AND RESTAURANTS</b>	<b>5,945</b>	<b>689</b>
<b>UNIONISM</b>		
Without Union	5,720	613
With Union	7,631	776
Without CBA	4,523	-
With CBA	7,658	776
<b>TYPE OF OWNERSHIP</b>		
Wholly Filipino	5,712	687
With Foreign Equity	7,737	1,045
<b>SPREAD OF OPERATIONS</b>		
Multinational	7,439	2,235
Not Multinational	5,713	651

<sup>1</sup> Refer only to those workers given regular/guaranteed cash allowances.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.

**TABLE 3 - AVERAGE MONTHLY WAGE RATES OF TIME-RATE WORKERS  
ON FULL-TIME BASIS IN HOTELS AND RESTAURANTS  
AND OCCUPATIONS, PHILIPPINES: OCTOBER 1999**

*(Non-agricultural establishments employing 50 and over. Wage rates are defined  
as including basic pay and regular/guaranteed cash allowances.)*

Industry and Occupations	Average Monthly Wage Rates
<b>AVERAGE OF SELECTED OCCUPATIONS (Non-Agricultural)</b>	7,972 <sup>a</sup>
<b>HOTELS AND RESTAURANTS</b>	
Accountants and Auditors	12,478
Accounting and Bookkeeping Clerks	7,430
Receptionist and Information Clerks	7,125
Housekeepers and Related Workers	7,787
Cooks	7,949
Waiters, Waitresses and Bartenders	7,083
Helpers and Cleaners	6,509
Service Crew	5,171

*Notes: 1. Basic pay refers to pay for normal/regular working time before deductions for employees' social security contributions and withholding taxes. It excludes overtime, night shift differential and other premium pay; commissions, tips and share of employees in service charge; and payment in kind.*

*2. Allowances refer to regular/guaranteed cash payments. These include living allowance but exclude reimbursements for travel, entertainment, meals and other expenses, etc. incurred in conducting the business of the employer; cost of uniform/working clothes; bonuses and gratuities; family allowances.*

<sup>a</sup> *The data refers to the average monthly wage rate across the selected occupations in selected non-agricultural industries and not to the average monthly wage rate across all occupations in all non-agricultural industries.*

*Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.*