

## I. ABOUT THE DATA

### A. OBJECTIVE/S OF THE SURVEY

The Occupational Wages Survey (OWS) aims to generate statistics for wage and salary administration and for wage determination in collective bargaining negotiations.

### B. MAIN TOPICS COVERED BY THE SURVEY

Main topics covered by the survey are occupational wage rates, median basic pay and median allowance of time-rate workers on full-time basis.

### C. REFERENCE PERIOD

June 30 starting in 2002. The 1997 and 1999 survey rounds had October 31 as reference date.

### D. PERIODICITY (FREQUENCY)

Every 2 years.

### E. COVERAGE OF THE SURVEY

**Geographical:** The whole country.

**Industrial:** Non-agricultural industries except national postal activities, central banking, public administration and defense and compulsory social security, public education services, public medical, dental and other health services, activities of membership organizations, extra territorial organizations and bodies. For purposes of monitoring occupational wage rates, 43 non-agricultural industries were pre-determined out of the 61 covered by the survey. The selection of these industries were based on the Investment Priority Plan of the Board of Investments; export winners identified by the Department of Trade and Industry; areas of cooperation under the BIMP-EAGA; industries likely to be affected by GATT; and industries monitored by the ILO industrial committees and similar bodies.

**Establishments:** Non-agricultural establishments employing 50 persons or more.

**Persons:** Time-rate workers on full-time basis.

**Occupations:** At most 10 occupations are covered in each of the 43 selected industries to represent the major occupational groups in the 1992 Philippine Standard Occupational Classification (PSOC). The occupations were classified as supervisory, professional, technical, clerical, service, trade skills and machine operation, and laborers/unskilled workers. In some instances, however, more occupations were drawn for a particular major group depending on the relative importance of the occupations in a given industry. For instance, in mining and quarrying; selected manufacturing industries; and construction, more occupations were taken from trade skills and machine operation. In trade, post and telecommunications and most business services, more clerical occupations were selected. In hotels and restaurants, more service occupations were chosen.

A total of 168 occupations in the 2002 survey round was covered, from 161 in 1999 and 159 in 1997. Starting with the 2002 survey round, wage rates of two (2) occupations considered as benchmark, accounting and bookkeeping clerks; and unskilled laborers except janitors, messengers and freight handlers, will be monitored in all 61 industries covered by the survey.

The selection of the initial occupations were based on the relative importance of the occupations in the industry and the 1992 PSOC, consultations with employers' and workers' groups, government agencies and the academe; Initial List of Indicative Offers to the Coordinating Committee on Services--General Agreement on Trade in Services (GATS ASEAN BLOC); Catalogue of the Occupational Skills Standards for National Certification Program of the Technical Education and Skills Development Authority; and Occupations covered by the ILO October Inquiry on Occupational Wages and Hours of Work.

#### F. CONCEPTS AND DEFINITIONS

**Establishment:** an economic unit engaged in one or predominantly one kind of economic activity under a single ownership or control at a single fixed location, e.g. mine, factory, store, bank, restaurant. For multi-unit enterprises with different outlets and subsidiaries or whose activities are located at different locations, each branch, outlet or subsidiary is considered an establishment. For firms engaged in activities which may be physically dispersed such as mining, construction, real estate development, transportation, communication, insurance, etc., the establishment is the base from which personnel operate to carry out their activities or from which they are paid.

**Time-rate Workers on Full-time Basis:** refer to those paid on the basis of an hour, day or month and who work at jobs with hours of work equal to or more than those considered normal or regular to the establishment.

**Wage Rates:** defined as including basic pay and regular/guaranteed cash allowances. **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 charges; and payments in kind. **Allowances** include cost of 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; and family allowances.

#### G. UNIT/S OF MEASUREMENT

In pesos.

#### H. CLASSIFICATIONS

**Geographical:** The geographic classification is based on the 1996 Philippine Standard Geographic Classification (PSGC).

**Industrial:** The industry classification is based on the 1994 Philippine Standard Industrial Classification (PSIC). It was patterned after the International Standard Industrial Classification (ISIC), Rev. 3 of the United Nations, up to the 4-digit level, but with modifications to suit national situations and circumstances.

**Occupational:** The occupational classification is based on the 1992 Philippine Standard Occupational Classification (PSOC). It was patterned after the 1988 International Standard Classification of Occupations (ISCO) of the International Labour Office with modifications to suit the national context.

**Employment size:** The classification of establishments according to employment size is based on the average total employment e.g. 50-199 and 200 and over.

**Others:** Median monthly basic pay, median monthly allowances and percent distribution of time-rate workers on full-time basis are also classified by establishment characteristic, e.g. ownership, market orientation, spread of operations, unionized or with collective bargaining agreement.

#### I. SAMPLING DESIGN

**Statistical unit:** The statistical unit is the establishment. Each unit is classified to an industry that reflects its main economic activity---the activity that contributes the biggest or major portion of the gross income or revenues of the establishment.

**Survey universe/Sample frame:** The sampling frame used for the survey was taken from the List of Establishments of the National Statistics Office. On a partial basis, this is regularly updated based on the responses to other surveys of the BLES, establishment reports on retrenchments and closures submitted to the Regional Offices of the Department of Labor and Employment and other establishment lists.

**Sample design:** The OWS is a complete enumeration survey of non-agricultural establishments employing 50 persons or more.

**Sample size:** For 2002 OWS, number of establishments covered was 5,954, of which, 3,974 were eligible units.

#### J. FIELD WORK

**Data collection:** The survey is conducted in coordination with the Regional Offices of the Department of Labor and Employment. On a project basis, employees are hired to personally deliver and retrieve the questionnaires from the establishments. In some instances, questionnaires are mailed to establishments in less accessible or conflict prone areas, in which case a self-addressed envelope is provided. The establishments may also submit the accomplished questionnaires through fax. Delivery of questionnaires starts in July or August (for the 1997 and 1999 surveys, delivery started in March/April after the October reference) of the reference year and retrieval will commence after all questionnaires have been delivered or within 10 working days from

delivery to an establishment or on a date agreed upon by the contact person and the enumerator. The basic data originate from the payroll records of establishments.

To assist the respondents in classifying their job titles that may have different nomenclatures than the 1992 PSOC, an occupational sheet is inserted in the questionnaire of an establishment whose industry belongs to the 43 pre-determined industries that will be monitored on occupational wage rates. This sheet contains a list of the occupations being monitored in each of the industry and their corresponding job descriptions in accordance with the 1992 PSOC.

The occupations may vary across establishments depending on their industry classification. Establishments that fall outside the 43 industries are not given occupational sheets. However, in the event that the industry of such establishment has been misclassified in the sampling frame and it should have been provided an occupational sheet, the field staff is instructed to give the respondent the relevant occupational sheet. The two (2) occupations considered as benchmark (accounting and bookkeeping clerks; and unskilled laborers except janitors, messengers and freight handlers) and their corresponding job descriptions appear in the pertinent portion of the survey questionnaire. Wage rates of these occupations will be monitored in all 61 industries covered by the survey.

**Survey questionnaire:** The questionnaire is made up of several parts, i.e.

*Cover page* - contains the address box for the establishment and other particulars;

*Page 2* - provides information on the purpose of the survey, coverage, reference period, collection authority, authorized field personnel, confidentiality clause, due date, availability of results and assistance available;

*Part A: General Information* - inquires on the main economic activity, major product/s, goods or services, total employment, ownership (with foreign equity or wholly Filipino), spread of operations (whether establishment is a multinational), market orientation (for manufacturing only, engaged in export or domestic market only), presence of a union and existence of a collective bargaining agreement in the establishment;

*Part B: Employment and Wage Rates of Time-Rate Workers on Full Time Basis* - inquires data on the distribution of time-rate workers on full-time basis by time unit (hourly, daily, monthly) and basic pay and allowance intervals;

*Part C: Employment and Wage Rates of Full-Time Workers in Selected Occupations* - for each occupation covered, the establishment is asked to report the time unit of work (hourly, daily, monthly), corresponding basic pay per worker and number of workers. Similar data are also asked for workers in the occupation that are given regular allowances. The total number of workers disaggregated by sex in each monitored occupation is likewise requested;

*Part D: Key and Representative Occupations in the Establishment* - asks for the occupations and corresponding employment of those considered as unique to the industry/sector to which the establishment belongs, employs the most number of works, historically important in the wage structure or emerging/has a high growth potential.

*Survey Results* - selected statistical tables from the previous two (2) survey rounds are provided for information of the respondents.

*Part E: Certification of Respondent* - this box is provided for the respondent's comments or suggestions (on the data it provided for the survey, results of previous survey rounds and improvements on the design/contents of the questionnaire) and for the name and signature, position, and telephone/fax numbers and e-mail address of the person responsible for filling out the form;

*Part F: Survey Personnel* - this portion is allocated for the names of personnel involved in collection, editing and review of each questionnaire and dates when the activities were completed; and

*Part G: Industries with Selected Occupations* - this lists the selected 43 industries whose occupational wage rates and employment are being monitored.

**Substitution of sampling units:** There is no substitution of sampling units as OWS is a complete enumeration survey.

#### K. DATA PROCESSING AND EDITING

Data are manually and electronically processed. Upon collection of accomplished questionnaires, enumerators perform field editing before leaving the establishments to ensure completeness, consistency and reasonableness of entries in accordance with the field operations manual. The forms are again checked for data consistency and completeness by their field supervisors. The BLES personnel undertake the final review, coding of information on classifications used, data entry and validation and scrutiny of aggregated results for coherence. Questionnaires with incomplete or inconsistent entries are returned to the establishments for verification, personally or through mail.

PC-Edit is used for data encoding. The database is then converted to Microsoft Access data format and validation prooflists are generated to check entries. After validation based on the prooflists and Rejection List, a conversion program using SPSS is executed to generate output tables.

#### L. TYPES OF ESTIMATES

- Average monthly wage rates of selected occupations in selected industries
- Median monthly basic pay and median monthly allowance of time-rate workers on full-time basis by industry, by region or by establishment characteristics

#### M. ESTIMATION/COMPILATION METHODOLOGY

While the OWS is a complete enumeration survey, not all of the fielded questionnaires are accomplished. Due to the inadequacy of the frame used, there are reports of permanent closures, non-location, duplicate listing and shifts in industry and employment outside the survey coverage. Establishments that fall in these categories are not eligible elements of the frame and their count is not considered in the estimation. In addition to non-response of establishments because of refusals, strikes or temporary closures, there are establishments whose questionnaires contain inconsistent item responses that are not included in the processing as these have not replied to the verification queries by the time output table generation commences. Such establishments are also considered as non-respondents.

Respondents are post-stratified as to geographic, industry and employment size classifications. Non-respondents are retained in their classifications.

Sample values of basic pay and allowances for the monitored occupations whose basis of payment is an hour or a day are converted into a standard monthly equivalent, assuming 313 working days and 8 hours per day. Daily rate x 26.08333; Hourly rate x 208.66667.

Estimates are obtained by simple expansion, i.e. by multiplying the sample values at the cell level (region, industry and employment size: 50-199 workers and 200 or more) by the corresponding blowing-up factor which is the ratio of the eligible population of establishments to the number of responding establishments. These estimates are then aggregated to the desired totals.

Dividing the estimated total basic pay (or total allowances) in each occupation by the corresponding estimate of time rate workers on full-time basis results to the average monthly basic pay or average monthly allowances as the case may be. The monthly average basic pay and monthly average allowances are then summed up to provide the average monthly wage rates by occupation.

The median monthly basic pay is computed from the estimated distribution of workers by monthly basic pay. On the other hand, the median monthly allowance is computed only for those workers reported with allowances.

#### N. ADJUSTMENTS

**Non-response:** Non-response is taken into account in the weighing procedure.

**Other bias:** No adjustments are made.

**Use of benchmark data:** No benchmark data is used.

**Use of other surveys:** No other survey data are used.

**Seasonal variations:** Not applicable.

#### O. INDICATORS OF THE RELIABILITY OF THE ESTIMATES

**Coverage of the sampling frame:** Partially updated.

**Sampling error/Sampling variance:** At the time of this report, these have not been computed.

**Non-response rate:** For 2002 OWS, the non-response rate in terms of eligible units was 21.3 percent.

**Non-sampling errors:** These may occur due to inaccuracies in reporting by establishments and enumerators, mistakes in coding, editing and data entry. However, efforts are made to reduce non-sampling errors by careful design of the questionnaire, intensive training of survey personnel, linkages with key informants (employers' and workers groups, government agencies and the academe) and through adoption and documentation of efficient operating procedures.

**Conformity with other sources:** The survey results, at the industry level, are checked against the results of another BLES survey, Employment, Hours and Earnings Survey.

**Estimates for non-survey years:** Not relevant

#### P. HISTORY OF THE SURVEY

From 1989 to 1995, the OWS provided average monthly wage rates of 22 low-paying/prevalent occupations in 21 non-agricultural industries and monthly median wage rates in all major non-agricultural industries. Covering time-rate workers (in non-agricultural establishments employing at least 5 workers in 1989-1993 and those employing at least 10 workers in 1994-1995), its purpose was to provide statistics in aid to minimum wage determination. The survey was conducted every semester except for the 1990 OWS, which was conducted quarterly. For occupational wage data, the reference periods were the end of each calendar quarter while for the distribution of time-rate workers, the reference periods were the end of June and December. Except for the 1994-1995 and 1997 survey rounds whose data collection was undertaken by the National Statistics Office, the BLES handled the field operations of the survey.

In 1996, the OWS was re-designed to focus on the wage rates of relatively skilled occupations in industries likely to be affected by the changing global and economic structure. In addition to provision of data on occupational wage rates, the survey also produced statistics on median basic pay and allowance in industries classified by establishment characteristic, e.g. ownership, market orientation, spread of operations unionized or with collective bargaining agreement. October was adopted as the reference month of the survey for international comparability since the Bureau of Statistics of the International Labour Office has an annual inquiry on occupational wage rates and normal hours of work where October is the reference period of the data. This resulted to the revision in the coverage, periodicity and timeliness of the survey. As a result of these changes, estimates from the new series, starting with 1997, are not comparable with the data from the old series. The public were informed of these changes at the time of the dissemination of the results of the 1997 OWS.

In 2001, the OWS was reviewed relative to the covered industries and occupations and reference period to enhance the relevance and timeliness of the statistics produced. At most 10 occupations (from 7) were covered in each of the selected industries (43 from 41) and wage data for two (2) benchmark occupations (accounting and bookkeeping clerks; and unskilled laborers except janitors, messengers and freight handlers) were asked of all respondents to the survey. The bases for the review were the 2001-2002 Key Indicators of the Labour Market of the ILO, the list of emerging occupations reported in one of the BLES surveys, the Occupational Employment Survey of the US Bureau of Labor Statistics and consultations with the data users.

Although the 1997 and 1999 survey rounds of the revised OWS had October as reference, data collection did not commence immediately after the reference point as the fiscal year of the Philippine government ends in December. Experience from past surveys of the Bureau shows that data retrieval from establishments during the last months of the year is quite low or slows down for surveys whose data collection started earlier. Another consideration in the shift of the reference period of the third round of the OWS from October 2001 to June 2002 was the need to capture the effects of minimum wage adjustments.

A regular survey conducted by the BLES revealed that a substantial proportion of establishments based their wage adjustments on government fixed wages. In recent years, minimum wages were being implemented on a staggered basis. In the National Capital Region (Metro Manila) where at least half of time-rate workers are found (based on the 1999 OWS), the recent Wage Order mandated a staggered adjustment with the initial round in November 2001 and the last in February 2002. Given these considerations, the shift in the reference period was deemed necessary. The shift in the reference period is contained in the survey metadata posted on the BLES Internet website prior to the conduct of the 2002 OWS.

Unlike the previous rounds of the Occupational Wages Survey that were conducted nationwide, the data collection for the 2002 OWS was limited to Metro Manila due to budget cuts. As such the data are not comparable to those of the previous survey rounds.

The data category average monthly occupational wage rates in selected occupations is one of the variables listed by the Philippine government under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. The SDDS serves as reference to member countries in the dissemination of economic and financial data.

**Q. AVAILABLE SERIES:**

The data series under the new design starts with October 1997 reference period. From 2002 onwards the data series would have June as reference period. The data series based on the old survey design are available for 1989-1995.

## II. DOCUMENTATION

### A. PERIODICITY OF DISSEMINATION

Starting with the 2002 OWS, the survey results will be released a year after its reference period.

### B. ADVANCE RELEASE CALENDAR

An advance release calendar that gives one-quarter-ahead notice of the approximate release date is posted in the BLES Homepage.

### C. DISSEMINATION FORMATS

#### **Hard Copy**

- LABSTAT Updates; (LABSTAT Digest for October 1997 results)
- Philippine Industry Yearbook of Labor Statistics
- Yearbook of Labor Statistics
- Current Labor Statistics

#### **Electronic**

- BLES Homepage: <http://www.bles.dole.gov.ph>; <http://www.manila-online.net/bles>
- Diskette: statistical tables of the OWS
- CD-ROM: Philippine Industry Yearbook of Labor Statistics; Yearbook of Labor Statistics

## III. CONFIDENTIALITY

The compilation and dissemination of the data are governed by the terms and conditions of Executive Order No. 126 (January 30, 1987) creating the Bureau of Labor and Employment Statistics; Executive Order 352 (July 1, 1996) designating the OWS as one of the statistical activities critical for decision making of the government and the private sector; and NSCB Resolution No. 1 (April 17, 1998) approving the modification of the sampling design, coverage, periodicity and timeliness of the survey.

While E.O. 126 is silent on the confidentiality of individual responses from surveys conducted by the BLES, it collects data under the pledge of confidentiality. A statement to this effect is printed in all the questionnaires of BLES surveys.