

## Highlights of Results of the 2002/2003 BLES Integrated Survey

### BACKGROUND

The 2002/2003 BLES Integrated Survey (BITS) is a one-survey approach that collects data previously gathered through BLES regular surveys such as Employment, Hours and Earnings Survey (EHES), Industrial Relations at the Workplace Survey (IRWS), Occupational Injuries Survey (OIS) and Labor Cost Survey (LCS). This revised survey operation was adopted in view of the need to reduce respondent burden, improve timeliness of information, and maximize the use of limited resources available for the data generation activities in the Department of Labor and Employment (DOLE).

The 2002/2003 BITS is a nationwide survey of non-agricultural establishments with 20 or more workers. It aims to provide an integrated data set on employment, labor relations, labor cost and occupational safety at the workplace. To some extent, the survey also collects some of the data requirements to measure decent work in the Philippines. The reference periods for the 2002/2003 BITS are as follows:

Topic	Reference Period
1. General Information	30 June 2003 and CY 2002
2. Employment	30 June 2003
3. Industrial Relations Practices	30 June 2003 and CY 2002
4. Occupational Injuries	CY 2002
5. Labor Cost	CY 2002

### HIGHLIGHTS OF RESULTS

#### EMPLOYMENT

1. Employment in non-agricultural establishments with 20 or more workers as of June 2003 was estimated at 2.919 million. The bulk (89.2 percent or 2.603 million) were employees of the establishments and the rest (10.8% or 316,000) were contractor/agency-hired workers or those who worked in the establishment through an intermediary.
2. Rank and file workers comprised the biggest proportion of total establishment employment at 75.8 percent or 2.213 million. Of this number, 53.5 percent (1.562 million) were regular workers and 22.3 percent (651,000) were non-regular workers. The rest were classified as working owners/unpaid workers (0.7% or 21,000), manager/executives (5.1% or 148,000) and supervisors/foremen (7.6% or 221,000).

### EMPLOYMENT OF SPECIFIC GROUPS OF WORKERS

3. One of the objectives of the survey is to provide benchmark data on the number of workers belonging to the specific groups covered by special laws in the Philippine Labor Code. Following are some of the specific groups covered in this survey and their proportions to total establishment employment: female workers (39.6%), workers paid the minimum wage (32.2%), casual workers (6.1%), probationary workers (4.6%), contractual/project based workers (11.8%), part-time workers (2.5%), piece-rate workers (2.0%), commission workers (5.0%), and workers who worked on shift (33.8%).

### ESTABLISHMENTS ENGAGED IN SUBCONTRACTING

4. The survey revealed that 62.0 percent or around 15,200 establishments out of the total 24,500 establishments covered in this survey have engaged the services of a contractor/agency to perform a specific job/work regardless of whether such was performed or completed within or outside the premises of the establishments. This proportion is considered on high side primarily because it includes security and janitorial services which are common practices among large establishments. In this survey, the proportion of establishments which relied on private contractor/security agency and janitorial services was 55.9 percent and 19.2 percent, respectively.
5. When security and janitorial services were excluded from the computation, the proportion of establishments engaged in subcontracting was reduced to 17.6 percent or 4,300 establishments. The most common type of jobs/services contracted out were general administrative services (28.3%), production/assembly (16.7%) and transport services (13.3%). Other services/jobs contracted out were marketing/sales (8.3%), IT services (8.3%), packaging (5.0%) and research and development (1.7%).
6. Overall, an estimated 6,000 jobs/services (excluding security and janitorial services) were outsourced by establishments to private contractor/agency as of the reference period of the survey or an average of 1.4 contracts per establishment.

### INDUSTRIAL RELATIONS PRACTICES

7. Establishments with unions (3,640) comprised a mere 14.8 percent of the 24,533 non-agricultural establishments employing at least 20 workers. Establishments with Collective Bargaining Agreements (CBAs), however, were estimated at 3,479 or 14.2 percent of the total establishments covered.
8. About 20.2 percent (521,000) of the 2.582 million paid employees in establishments are members of union. Almost one-third (31.1%) of whom, are women. Some 19.7 percent (508,000) are covered by CBAs.

9. On the hiring practices of establishments, majority still uses the conventional means, i.e., 80.9 percent announced vacancies by word of mouth; 44.3 percent advertised through print; 42.3 percent posted in-house advertisements; and 25.3 percent used schools bulletin boards. Only 13.2 percent utilized the services of Public Employment Service Offices (PESOs)/Phil-Jobnet.
10. In hiring employees (managers, professionals, supervisors, sales/service workers, clerks and skilled workers), majority of establishments gave more preference to age, educational attainment, training and experience than on sex and civil status. However, for unskilled operatives, age was the primary consideration for recruitment.
11. Regarding methods used in fixing or revising wages and salaries, most establishments claimed that employers decide the wages/salaries of managers (74.5%) and supervisors (69.6%). Meanwhile, 62.3 percent of the establishments still relied on the Wage Orders of the Regional Tripartite Wage and Productivity Boards (RTWPBs) in revising or fixing wages of regular rank and file employees. The Order also serves as basis of most establishments (62.9%) in fixing the wages of their non-regular employees.
12. In terms of welfare benefits provided to employees, topping the list were compulsory social security schemes and 13<sup>th</sup> month pay. More than 90.0 percent of the establishments' paid employees were covered by these benefits. Vacation leave and sick leave benefits followed covering 7 out of every 10 employees each. Other benefits with relatively high percentage shares of employees' coverage were: separation/termination pay (40.3%); medical and health insurance (39.0%); retirement pay (37.4%); and emergency leave and cost of living allowance (37.0% each).
13. On measures implemented by establishments to cope with economic and financial difficulties in 2002, five out of 10 establishments (51.1%) had stopped hiring for all positions. Some however, opted to freeze only the hiring of employees categorized as rank and file (44.0%) and managerial and supervisory (42.1%) while others deferred expansion plans (36.4%); cut budget on training (36.1%); resorted to job rotation (32.0%); and granted small salary increases (31.8%).

#### LABOR COST\*

14. The labor cost structure in non-agricultural establishments did not significantly change from 1998 to 2002. Expenditures on direct wages and salaries still accounted for almost three-fourths (74.4%) of the total labor cost, notwithstanding a minimal 2.2 percentage points decline from its share in 1998. Bonuses and gratuities accounted for 10.5 percent of total labor cost, up from a

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\* The data in this section were presented using comparative statistics (1998 vs. 2002).

share of 8.7 percent in 1998. Social security expenditures accounted for at least 9 percent of total in both years. There was also a notable increase of 46.1 percent in the absolute value of the total labor cost of non-agricultural establishments from ₱314,844 million in 1998 to ₱459,934 million in 2002.

15. Annual labor cost per employee grew by 30.4 percent from ₱139,934 to ₱182,541 over the four-year period. Direct wages and salaries per employee on the other hand expanded to ₱135,774 from ₱107,233 or by 26.6 percent. Per capita bonuses and gratuities substantially increased by 57.6 percent, from ₱12,147 to ₱19,147. Similarly, per employee social security expenditures improved by 36 percent to ₱17,317 in 2002.
16. The survey also looked into specific establishment characteristics such as ownership, spread of operations, unionism and CBA coverage to determine, among others, differences in annual labor cost per employee. These data were not asked in the 1998 Labor Cost Survey.

Across types of ownership, establishments with foreign equity incurred the highest annual labor cost per employee amounting to ₱254,112, exceeding by 5.1 percent that of wholly foreign-owned establishments estimated at ₱241,837. Least average cost was incurred by wholly Filipino owned establishments at ₱152,654.

17. Cost differentials by spread of operations (whether multinational or not) showed that multinational establishments spent more for each employee at ₱258,145 relative to non-multinational establishments with annual labor cost per employee of only ₱160,412.
18. Annual labor cost per employee among unionized establishments averaged ₱239,616, higher by 53.3 percent than that of non-unionized establishments which stood at ₱156,276. Among unionized establishments, those with CBAs had higher per employee labor cost at ₱241,228 relative to only ₱156,216 for those without CBAs.
19. The average share of labor cost to total cost was estimated at 21.1 percent. Generally, the share of labor cost was highest among establishments employing at least 200 workers at 25.6 percent. This was followed by establishments with 100 - 199 workers whose labor cost share was 23.7 percent. The share of labor cost was least among establishments with 20 – 99 workers at only 20.1 percent.

## OCCUPATIONAL INJURIES\*\*

20. Cases of occupational injuries declined by 16.6 percent from 69,208 cases reported in 2000 to 57,752 in 2002. This decrease was attributed to the drop in injury cases without lost workdays (42,742 to 35,973) and those with lost workdays (26,467 to 21,779).
21. In spite of the decline in occupational injuries with lost workdays, more fatalities (302 from 178) and permanent incapacity cases (321 from 179) were recorded. However, these cases of incapacity accounted for only three percent of injuries with lost workdays.
22. Complementing the decline of occupational injuries with lost workdays in 2002 is the drop in the frequency rate (relative to hours of work) to 3.5 from 5.7 in 2000. Likewise, incidence rate improved to 8.54 injuries for every 1,000 workers as compared to 14.09 in 2000.
23. On the other hand, temporary incapacity cases were more serious in 2002, at 51.16 severity rate (relative to hours of work) and 15.06 workdays lost per injury case. In 2000, severity rate was 43.69 and average days lost was 7.77.

***Prepared by the Bureau of Labor and Employment Statistics***

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