

## METHODS USED IN FIXING OR REVISING WAGES AND SALARIES . . .

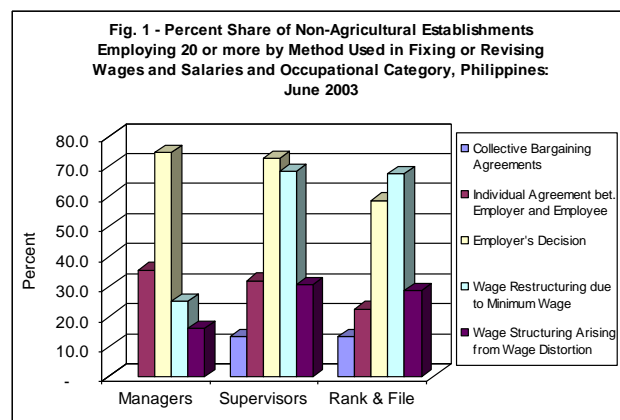
*(Third of a series on Labor Relations)*



*This LABSTAT is the third in a series of issues that focuses on industrial relations practices based on the results of 2002/2003 BLES Integrated Survey (BITS) conducted last year in coordination with DOLE Regional Offices. The BITS is a nationwide survey covering 6,818 sample non-agricultural establishments employing 20 or more workers. It aims to provide integrated data sets on employment, labor relations, labor cost and occupational safety at the workplace as basis for policy planning and program formulation.*

*This report provides a brief description on the methods used in fixing or revising wages and salaries in non-agricultural establishments as of June 2003.*

### ...by Occupational Category



Among covered establishments, employer's decision is the commonly practiced scheme in wage determination among managers (74.5%) and supervisors (69.6%), according to 2002/2003 BITS results. For rank and file employees, the Wage Order issued by the Regional Tripartite Wages and Productivity Boards (RTWPBs) were the basis of 67.5 percent of

the establishments covered while wages of supervisors/foremen were mostly determined by the employers (69.6%).

### ...by Industry

Most of the employers of establishments in practically all industries decide the wages and salaries of managers and supervisors except for mining and quarrying where 83.1 percent based the wages of their supervisors/foremen on minimum wage issuances.

Meanwhile, wage fixing for the rank and file registered mixed results. Majority of establishments in 5 out of 12 industries, namely construction (66.8%); financial intermediation (72.0%); real estate, renting and business activities (62.6%); private education services (64.6%); and other community, social and personal services (63.4%), the employers decide their wages. The rest of the sectors subscribed mostly to minimum wage issuances.

### ...by Type of Ownership

A big number of wholly foreign-owned establishments claimed that employers determine the wages and salaries of managers (75.9%), supervisors (76.5%) and rank and file employees (61.3%). It is also the method mostly adopted by wholly Filipino-owned establishments and those with foreign equity except for the wages of rank and file employees, which relied mostly on Wage Orders. Meanwhile, only a small proportion of the establishments based the wages of supervisors (4.7%) and rank and file employees (13.1%) on collective bargaining agreements (CBAs).

### ...by With or Without Union

In unionized establishments, majority based the wages of managers (75.4%) and supervisors (65.8%) on employers' decisions. Meanwhile, a large proportion (68.5%) depended on Wage Orders for the salaries of their rank and file employees. A similar pattern was observed for non-unionized establishments.

**TABLE 1 - METHODS USED BY NON-AGRICULTURAL ESTABLISHMENTS EMPLOYING 20 AND OVER IN FIXING OR REVISING WAGES AND SALARIES BY OCCUPATIONAL CATEGORY, MAJOR INDUSTRY GROUP, TYPE OF OWNERSHIP AND WITH OR WITHOUT UNION, PHILIPPINES: JUNE 2003**

Major Industry Group/Type of Ownership/With or Without Union	Total Establishment	Individual Agreement between Employer and Employee	Employer's Decision	Wage Restructuring due to Minimum Wage Issuances	Wage Structuring Arising from Wage Distortion
<b>Managers/Executives</b>	<b>22,333</b>	<b>35.5</b>	<b>74.5</b>	<b>24.9</b>	<b>16.0</b>
Mining and Quarrying	70	42.3	94.3	5.7	13.3
Manufacturing	6,197	40.7	73.7	21.6	15.6
Electricity, Gas & Water Supply	404	7.3	47.8	20.0	15.9
Construction	565	42.0	63.2	24.0	14.1
Wholesale & Retail Trade	5,147	31.0	75.8	28.8	14.4
Hotels & Restaurants	2,174	36.9	77.2	36.7	24.3
Transport, Storage & Communications	1,476	28.3	73.9	23.8	15.9
Financial Intermediation	1,312	38.9	82.9	18.7	19.9
Real Estate, Renting & Business Activities	2,008	31.6	77.1	23.9	13.9
Private Education Services	1,962	32.0	67.9	19.3	8.2
Health & Social Work Except Public Health	523	43.9	75.0	33.0	16.4
Other Community, Social & Personal Services	494	60.4	86.2	19.0	31.5
Wholly Filipino	19,031	35.5	73.9	25.9	15.7
With Foreign Equity	2,230	34.8	78.5	19.2	16.0
Wholly Foreign	1,072	37.2	75.9	19.8	20.7
With Union	3,536	40.0	75.4	21.3	23.8
Without Union	18,797	34.7	74.3	25.6	14.5

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Major Industry Group/Type of Ownership/With or Without Union	Total Establishment	Collective Bargaining Agreements	Individual Agreement between Employer and Employee	Employer's Decision	Wage Restructuring due to Minimum Wage Issuances	Wage Structuring Arising from Wage Distortion
<b>Supervisors/Foremen</b>	<b>19,748</b>	<b>4.7</b>	<b>31.3</b>	<b>69.6</b>	<b>36.2</b>	<b>23.4</b>
Mining and Quarrying	71	42.3	7.0	11.3	83.1	50.7
Manufacturing	5,742	6.7	34.5	68.8	40.4	28.1
Electricity, Gas & Water Supply	406	23.2	3.7	44.6	23.4	17.5
Construction	807	0.7	38.7	73.9	15.5	13.1
Wholesale & Retail Trade	4,722	3.1	26.0	73.3	42.4	18.7
Hotels & Restaurants	1,713	6.5	33.9	70.4	37.7	26.7
Transport, Storage & Communications	1,385	4.4	31.3	65.9	40.2	27.4
Financial Intermediation	954	0.2	30.3	82.1	22.1	27.6
Real Estate, Renting & Business Activities	1,670	-	31.6	72.0	32.9	25.1
Private Education Services	1,351	1.3	34.0	59.5	22.3	10.1
Health & Social Work Except Public Health	434	2.4	37.8	69.6	48.4	28.0
Other Community, Social & Personal Service	492	14.8	36.0	68.7	13.6	27.8
Wholly Filipino	16,666	4.6	31.8	67.9	37.0	22.5
With Foreign Equity	2,121	6.5	27.5	80.0	31.3	26.2
Wholly Foreign	962	3.5	29.4	76.5	32.8	32.5
With Union	3,233	29.0	23.6	65.8	37.1	34.1
Without Union	16,515	-	32.8	70.4	36.0	21.3
<b>Rank and File</b>	<b>24,412</b>	<b>13.1</b>	<b>22.5</b>	<b>58.7</b>	<b>67.5</b>	<b>28.7</b>
Mining and Quarrying	70	54.3	7.1	41.4	97.1	51.4
Manufacturing	6,709	21.4	21.8	53.6	73.4	34.4
Electricity, Gas & Water Supply	409	28.9	3.7	42.8	48.4	19.1
Construction	808	2.0	23.9	66.8	60.4	20.8
Wholesale & Retail Trade	5,985	9.3	19.2	58.6	71.1	23.8
Hotels & Restaurants	2,298	8.2	24.6	49.7	83.0	33.7
Transport, Storage & Communications	1,570	12.6	21.3	64.6	68.2	34.3
Financial Intermediation	1,280	20.2	21.9	72.0	41.3	30.9
Real Estate, Renting & Business Activities	2,070	4.0	27.3	62.6	52.9	29.7
Private Education Services	2,129	4.8	31.1	64.6	56.7	13.9
Health & Social Work Except Public Health	525	7.2	23.8	71.4	74.7	29.5
Other Community, Social & Personal Service	557	30.2	24.1	63.4	61.0	37.5
Wholly Filipino	21,004	12.1	22.6	58.4	68.3	28.1
With Foreign Equity	2,331	18.1	22.1	60.5	64.5	31.2
Wholly Foreign	1,076	21.1	21.4	61.3	57.6	35.1
With Union	3,606	88.8	13.4	43.6	68.5	41.7
Without Union	20,806	-	24.1	61.3	67.2	26.4

Source of data: Bureau of Labor and Employment Statistics, 2002/2003 BLES Integrated Survey.

Note: Percentages would not add up to 100% due to multiple responses.

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