

WAGE RATES IN INDUSTRIES

... Wage Ratios of Occupations

(Last of a 19-Part Series)

This issue of the LABSTAT Updates is the last of a 19-part series of statistical releases on the results of the 2004 Occupational Wages Survey (OWS) conducted last year in coordination with the DOLE Regional Offices. The OWS is a nationwide survey covering 6,827 non-agricultural establishments employing 50 or more workers. It aims to provide statistics for wage and salary administration and for wage determination in collective bargaining negotiations.

Movements of wage rates are highly influenced by employment shifts or turnover of employees in occupations and industries, work experience or seniority, bargaining negotiations, restructuring, etc. This means that wage rates may change not because of the changes in the value attached to an occupation, as defined by its skills and qualification requirements, but because of the interaction of these factors. For example, a bigger number of new entrants in an occupation paid at hiring/entry rates will tend to depress its average wage rate. In the case of an establishment that implements regular incremental progression of wages on account of length of service, an occupation with more senior workers will have a higher average wage rate than an occupation whose workers are paid at entry rate or have lesser years of service even if this occupation is higher in the occupational pay structure.

This final issue on the OWS results will present the wage differentials (expressed in ratios) or wage variation within occupation groups. The wage ratios of these skilled occupation groups relative to unskilled workers are also presented.



Wage ratios within occupation groups varied from 1.0 to 5.8

Within each minor occupation group¹, the wage ratios (highest wage rate relative to its lowest wage rate) differed by as much as 5.8. This means that the highest wage rate in the group is almost six times its lowest wage rate. The highest ratio was noted in minor occupation group ship and aircraft controllers and technicians. The average wage rates in this group ranged from ₱ 17,027 (ship deck officers and pilots in water transport) to ₱ 98,575 (aircraft pilots,

navigators and flight engineers in air transport). (Table 1)

The wage ratio of business professionals was also high at 5.7 as the wage rates in the group varied from ₱ 12,770 (accountants and auditors in retail trade except of motor vehicles and motorcycles) to ₱ 72,803 (accountants and auditors in accounting, bookkeeping and auditing activities; tax consultancy).

¹ To simplify the presentation of the wage ratios, the occupations covered are grouped along their minor occupation groups (3-digit level) in accordance with the 1992 Philippine Standard Occupational Classification (PSOC).

The least wage differential or lowest wage ratio at 1.0 was noted in building frame construction and related trades workers. The lowest wage rate in the group was recorded at ₱ 7,066 for masons and related concrete finishers while the highest at ₱ 7,163 for carpenters and joiners. Both occupations belong to the construction industry.

On the other hand, the wage ratios² (lowest wage rate of minor

occupation group to lowest rate of unskilled workers except janitors, messengers and freight handlers) varied up to 4.6 for computer professionals. The lowest wage rate in the occupation group was reported for computer programmers in insurance and pension funding except compulsory social security at ₱ 22,038. The lowest rate for unskilled workers at ₱ 4,829 was in manufacture of wood and wood products except furniture.

Wage ratio of unskilled workers at 1.9

There is a wider spread in wage rates of accounting and bookkeeping clerks than the rates of unskilled workers. The wage ratio for this clerical group was 3.4 compared to 1.9 of unskilled workers.

Average wage rates of accounting and bookkeeping clerks posted a low of ₱ 6,184 (manufacture of articles of bamboo, cane rattan, cork and the like; manufacture of plaiting materials) and a high of ₱20,780 (postal and telecommunications services). For

unskilled workers, it ranged from ₱ 4,829 (manufacture of wood and wood products except furniture) to ₱ 9,208 (non-bank financial intermediation).

Relating the lowest wage rate of accounting and bookkeeping clerks to that of unskilled workers showed a slight difference as the wage ratio was only 1.3. This makes accounting and bookkeeping clerks an ideal benchmark occupation together with unskilled workers.

² Comparison was done across lowest wage rates to minimize to a certain extent factors, e.g. length of service that may influence the value of the wage rates. Wage rate of unskilled workers was used since these workers are found at the bottom of the pay structure.

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TABLE 1 - Lowest and Highest Average Monthly Wage Rates by Minor Occupation Group, Philippines: June 2004

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

1992 PSOC	Occupation Group	1992 PSOC Occupations ¹ (4-digit)	2004 Survey Coverage		Average Monthly Wage Rates (P)		Wage Ratio ⁴	
			Occupations ²	Industries ³	Lowest	Highest	Within Group	Relative to Unskilled
Benchmark Occupations								
4121	Accounting and Bookkeeping Clerks	-	1	57 ^a	6,184	20,780	3.4	1.3
9400 ^b	Unskilled Workers except Janitors, Messengers and Freight Handlers	-	1	56 ^c	4,829	9,208	1.9	1.0
Minor Occupation Group of Selected Occupations								
142	Transport and Communications Service Supervisors	6	4	5	9,446	27,683	2.9	2.0
143	Production Supervisors and General Foremen	1	1	24	8,583	24,440	2.8	1.8
144	Sales Supervisors in Wholesale and Retail Trade	3	1 ^d	3	10,597	19,405	1.8	2.2
212	Mathematicians, Statisticians and Related Professionals	2	2	3	10,104	36,891	3.7	2.1
213	Computer Professionals	3	3	2	22,038	25,010	1.1	4.6
214	Architects and Related Professionals	2	1	1	13,561		-	2.8
215	Engineers and Related Professionals	9	9 ^e	19	10,024	27,899	2.8	2.1
222	Health Professionals(except Nursing)	8	4	1	8,817	17,069	1.9	1.8
223	Nursing and Midwifery Professionals	2	2	1	7,257	8,669	1.2	1.5
23 ^f	Teaching Professionals	12	8	1	12,842	19,524	1.5	2.7
241	Business Professionals	3	1	8	12,770	72,803	5.7	2.6
244	Social and Related Science Professionals	7	1	2	13,609	21,518	1.6	2.8

a There are 58 industries covered by the survey for benchmark occupations but data for one industry was excluded because of non-response of its large establishments.

b BLES code (no 1992 PSOC).

c Data for one industry excluded and one industry has no report on the occupation.

d All the 4-digit occupations in the minor occupation group were covered but these were considered as only one unit group/occupation in the survey.

e Chemical engineers and food technologists have the same 4-digit PSOC code but these occupations were counted separately in the survey.

Mechanical engineers and marine engineers have the same 4-digit PSOC code but these occupations were counted separately in the survey.

f Refers to sub-major occupation group.

1 Number of 4-digit occupations or unit groups in the 1992 Philippine Standard Occupational Classification (PSOC).

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3 Number of industries where covered occupations are found. An industry may not have the same occupation coverage as another industry.

4 "Within Group" refers to ratio of highest wage rate to its lowest. "Relative to Unskilled" refers to ratio of lowest wage rate of minor occupation group to lowest rate of unskilled workers.

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			Occupations ²	Industries ³	Lowest	Highest	Within Group	Relative to Unskilled
311	Physical Science and Engineering Technicians	9	7	15	6,421	18,813	2.9	1.3
312	Computer Assistants and Computer Equipment Controller	3	2	1	7,517	8,442	1.1	1.6
313	Optical and Electronic Equipment Controllers	4	1	1	8,639		-	1.8
314	Ship and Aircraft Controllers and Technicians	5	3	2	17,027	98,575	5.8	3.5
315	Building, Safety, Health and Quality Inspectors	2	1	15	6,944	17,517	2.5	1.4
341	Finance and Sales Associate Professionals	9	5	5	9,573	18,252	1.9	2.0
342	Business Services Agents and Trade Brokers	4	1	1	9,421		-	2.0
343	Administrative Associate Professionals	5	1	3	9,448	17,590	1.9	2.0
411	Secretaries and Keyboard-Operating Clerks	5	2	3	6,175	15,014	2.4	1.3
412	Numerical Clerks	2	1 ^g	3	10,809	12,108	1.1	2.2
413	Material Recording and Transport Clerks	3	3	20	6,409	16,271	2.5	1.3
421	Cashiers, Tellers and Related Clerks	5	3	6	7,888	13,294	1.7	1.6
422	Client Information Clerks	3	5 ^h	10	7,824	19,857	2.5	1.6
511	Travel Attendants and Related Workers	3	4 ⁱ	4	5,790	12,530	2.2	1.2
512	Housekeeping and Restaurant Services Workers	3	4 ⁱ	1	6,096	9,406	1.5	1.3
522	Shop Salespersons and Demonstrators	1	1	3	6,351	9,042	1.4	1.3
711	Miners, Shotfirers, Stone Cutters and Carvers	3	2	2	5,527	12,926	2.3	1.1
712	Building Frame Construction and Related Trades Workers	4	2	1	7,066	7,163	1.0	1.5
713	Building Construction Finishers and Related Trades Workers	6	1	2	7,474	9,010	1.2	1.5
721	Metal Molders, Welders, Sheet-metal Workers, Structural-Metal Preparers and Related Trades Workers	5	5	4	6,541	10,171	1.6	1.4
722	Blacksmiths, Tool-makers and Related Trades Workers	4	3	2	6,687	9,684	1.4	1.4

g Excludes accounting and bookkeeping clerks which is a benchmark occupation.

h Include telemarketers and customer service representatives/associates that were coded by BLES as these occupations are not coded in 1992 PSOC.

i Include bus inspectors that was coded by BLES as the occupation is not coded in 1992 PSOC.

j Include service crew that was coded by BLES as the occupation is not coded in 1992 PSOC.

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			Occupations ²	Industries ³	Lowest	Highest	Within Group	Relative to Unskilled
723	Machinery Mechanics, Fitters and Related Trades Workers	5	5 ^k	9	5,755	14,765	2.6	1.2
724	Electricians, Electrical and Electronic Equipment Mechanics and Fitters	6	5	5	6,447	17,480	2.7	1.3
732	Potters, Glass-makers and Related Trades Workers	4	1 ^d	1	7,956		-	1.6
734	Printing, Binding and Related Trades Workers	7	5	1	7,834	12,167	1.6	1.6
741	Food Processing and Related Trades Workers	6	1 ^l	1	7,006		-	1.5
742	Wood Treaters, Cabinet-makers and Related Trades Workers	5	4	2	5,647	6,396	1.1	1.4
743	Textile, Garment and Related Trades Workers	6	6	2	6,068	7,915	1.3	1.3
744	Leather and Shoemaking Trades Workers	2	2	1	6,468	6,972	1.1	1.3
811	Mining and Mineral Processing Plant Operators	3	4 ^m	2	4,695	11,833	2.5	1.0
812	Metal Processing Plant Operators	4	4	1	5,982	10,034	1.7	1.2
813	Glass, Ceramics and Related Plant Operators	2	1 ^d	1	7,134		-	1.5
814	Wood-Processing and Papermaking Plant Operators	3	3	2	5,593	8,958	1.6	1.2
815	Chemical Processing Plant Operators	6	3	1	7,463	13,176	1.8	1.5
816	Power Production and Related Plant Operators	3	2	2	12,471	16,221	1.3	2.6

d All the 4-digit occupations in the minor occupation group were covered but these were considered as only one unit group/occupation in the survey.

k Agricultural or industrial machinery mechanics and fitters; and heavy equipment mechanics have the same 4-digit PSOC code but these occupations were counted separately in the survey.

l Except for an occupation in tobacco industry, all the 4-digit occupations in the minor occupation group were covered but these were considered as only one unit group/occupation in the survey.

m Mineral ore processing plant operators and stone processing plant operators have the same 4-digit PSOC code but these were considered as only one unit group/occupation in the survey.

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			Occupations ²	Industries ³	Lowest	Highest	Within Group	Relative to Unskilled
821	Metal and Mineral Products Machine Operators	2	2	2	7,563	10,420	1.4	1.6
822	Chemical Products Machine Operators	4	1	1	8,420		-	1.7
823	Rubber and Plastic Products Machine Operators	2	2	2	7,490	8,332	1.1	1.6
824	Wood Products Machine Operators	1	1	2	5,832	6,228	1.1	1.2
825	Textile and Leather Products Machine Operators	7	6	3	6,307	8,083	1.3	1.3
826	Food and Related Products Machine Operators	9	1 ¹	1	10,695		-	2.2
827	Assemblers	6	5	6	4,720	14,888	3.2	1.0
832	Motor Vehicle Drivers	4	2	3	7,429	10,155	1.4	1.5
834	Ship's Deck Crews and Related Workers	1	1	1	9,664		-	2.0
913	Domestic Helpers and Cleaners and Related Workers	3	1	1	7,843		-	1.6
915	Messengers, Porters, Doorkeepers and Related Workers	2	1	1	8,309		-	1.7
933	Transport Laborers and Freight Handlers	3	1	2	6,889	9,437	1.4	1.4

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.

1 Except for an occupation in tobacco industry, all the 4-digit occupations in the minor occupation group were covered but these were considered as only one unit group/occupation in the survey.

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