

WAGE RATES IN INDUSTRIES

... in Construction

(Sixth of a Series)

This issue of the LABSTAT Updates is the sixth in the 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.

This issue focuses on the wage rates of selected occupations and the basic pay and allowance of time-rate workers on full-time basis in construction. There are 168 occupations in 43 selected industries covered by the OWS. Ten occupations were selected to represent the construction industry.

In June 2004, the average monthly wage rates of the 10 representative occupations in the industry ranged from ₱ 5,755 to ₱ 15,393. The median monthly basic pay was ₱ 6,798 while the median monthly allowance (of those workers given allowances) was ₱ 936.

Civil engineers were highest paid in construction



Among the occupations selected to represent the industry, civil engineers were the highest paid at ₱ 15,393.

Production supervisors (₱ 12,816) and accounting and bookkeeping clerks (₱ 10,176) were, like civil engineers, also paid higher than the national average. (Table 1)

The average monthly wage rate across the occupations covered by the OWS was estimated at ₱ 10,161.

In the six trade and related occupations selected for coverage, wage rates ranged from ₱ 5,755 for heavy equipment mechanics to ₱ 7,674 for building and related electricians.

Unskilled workers received a wage rate of ₱ 6,215.

Basic pay and allowance lower than the all-industry averages

The median¹ monthly basic pay of time rate workers on full-time basis in the surveyed non-agricultural establishments was estimated at P 7,542.

Basic pay in construction was lower by 9.9 percent at P 6,798. The monthly cash allowance of workers in the industry at P 936 approximated the national average of P 930.

Hiring rates, minimum requirements on education and experience ...

For the first time in the 2004 round of the OWS, the survey inquired into the hiring rates, minimum educational requirement and minimum years of related experience needed for the various occupations covered by the survey. Some of the findings particularly on minimum hiring rates may be contentious as some rates are below the existing minimum wage rates.

This indicates that the inquiry on these variables of interest have to be improved to better capture the realities. Nevertheless, the survey results can, to some extent, shed light on some aspects of recruitment of employees, in particular, the range or the differentials between the maximum and minimum wage rates offered for various occupations.

The minimum hiring rates in the industry seem to be very low, varying from P 2,300 (accounting and

bookkeeping clerks) to P 4,173 (heavy equipment mechanics). The maximum entry rates, however, went up as high as P 29,344 for production supervisors and general foremen. The lowest maximum hiring rate was registered at P 11,000 for structural metal preparers, erectors and related workers. (Table 2)

A college degree is required for only three of the covered occupations: production supervisors and general foremen; civil engineers and accounting and bookkeeping clerks. The other occupations prefer a high school or trade school graduate.

Most of the occupations require one year of related experience. Only production supervisors and general foremen; and heavy equipment mechanics are required to have at least two years of experience.

1 Aside from occupational wage rates, the OWS inquires on the distribution of the time-rate workers on full-time basis along basic pay intervals per time unit of work (hourly, daily and monthly). The distribution of these workers who are given regular/guaranteed cash allowances are also inquired into. These wage distributions lead to the generation of the median monthly basic pay and the median monthly allowance. Median refers to that amount where half of the workers in the distribution receive more while the other half receives less.

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**TABLE 1 - Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis
in Selected Occupations in Construction, Philippines: June 2004**
(Non-agricultural establishments employing 50 and over. Wage rates are defined as including basic pay
and regular/guaranteed cash allowances.)

1994 PSIC/ 1992 PSOC	Occupation	Average Monthly Wage Rates (P)
	AVERAGE OF SELECTED OCCUPATIONS	10,161^a
F45	Construction	
1430	Production Supervisors and General Foremen	12,816
2151	Civil Engineers	15,393
4121	Accounting and Bookkeeping Clerks	10,176
7122	Masons and Related Concrete Finishers	7,066
7123	Carpenters and Joiners	7,163
7136	Plumbers, Pipe Fitters and Related Workers	7,474
7214	Structural Metal Preparers, Erectors and Related Workers	6,541
7234	Heavy Equipment Mechanics	5,755
7241	Building and Related Electricians	7,674
9400 ^b	Unskilled Workers except Janitors, Messengers and Freight Handlers	6,215

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.

a The data refers to the average monthly wage rate across 168 occupations in 43 non-agricultural industries covered by the survey.

b BLES code (no 1992 PSOC).

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

TABLE 2 - Hiring/Entry Wage Rates, Minimum Educational Requirement and Minimum Years of Related Experience, of Time-Rate Workers on Full-Time Basis in Selected Occupations in Construction, Philippines: June 2004

(Non-agricultural establishments employing 50 and over.)

Occupation	Hiring/Entry Wage Rate ¹ (P)		Minimum Educational Requirement		Minimum Years of Related Experience	
	Minimum	Maximum	Level	Percent of Establishments ²	Years	Percent of Establishments ³
Production Supervisors & General Foremen	3,260	29,344	College graduate	48.1	2 years	31.8
Civil Engineers	3,800	20,000	College graduate	97.9	1 year	33.7
Accounting and Bookkeeping Clerks	2,300	15,650	College graduate	97.8	1 year	42.5
Masons and Related Concrete Finishers	3,510	14,346	High school graduate	55.4	1 year	47.1
Carpenters and Joiners	3,423	15,000	High school graduate	64.0	1 year	45.8
Plumbers, Pipe Fitters and Other Related Workers	3,130	11,868	High school graduate	57.1	1 year	48.8
Structural Metal Preparers, Erectors and Related Workers	2,608	11,000	High school graduate	49.5	1 year	40.7
Heavy Equipment Mechanics	4,173	14,007	Trade school graduate	52.7	2 years	35.2
Building and Related Electricians	3,652	12,911	Trade school graduate	50.3	1 year	44.1
Unskilled Workers except Janitors, Messengers and Freight Handlers	2,869	12,650	High school graduate	56.3	None	69.2

1 Defined as including basic pay and regular/guaranteed cash allowances.

2 Refers to educational level which has the highest proportion or share of estimated number of establishments reporting the requirement relative to the estimated number of establishments reporting the occupation. The choices for the minimum educational requirement are "elementary graduate, high school graduate, trade school graduate, college graduate, others".

3 Refers to years of related experience which has the highest proportion or share of estimated number of establishments reporting the requirement relative to the estimated number of establishments reporting the occupation. The choices for the minimum years of related experience are "none, 1 year, 2 years, 3 years, 4 or more".

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