

WAGE RATES IN INDUSTRIES

... in Hotels and Restaurants

(Eight of a Series)

This issue of the LABSTAT Updates is the eight 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 hotels and restaurants. There are 168 occupations in 43 industries covered by the OWS. Nine occupations were selected to represent the hotels and restaurants industry.

In June 2004, the average monthly wage rates of the nine representative occupations in the industry ranged from P 6,096 to P 16,453. The median monthly basic pay was P 6,903 while the median monthly allowance (of those workers given allowances) was P 930.

Cooks were highest paid service workers

In June 2004, the average monthly wage rate of selected occupations on full-time basis in non-agricultural industries employing at least 50 workers was P 10,161.

Accountants and auditors were the only professional workers covered in the hotels and restaurants industry. Their wage rate, the highest among the selected occupations, averaged at P 16,453. (Table 1)

Wage rates of covered clerical workers varied slightly. It was estimated at P 8,754 for receptionists and information clerks and P 8,654 for accounting and bookkeeping clerks.



Similarly, less variation in wage rates among service workers was noted except for the service crew¹.

Among selected service workers, cooks were paid the highest at P 9,406 followed by housekeepers and related workers at P 8,472. Waiters, waitresses and bartenders came in third at P 8,121. The service crew had a wage rate at P 6,096 which is lower than the P 6,770 of unskilled workers and P 7,843 of helpers and cleaners.

¹ The 1992 Philippine Standard Occupational Classification (PSOC) does not list "service crew" as an occupation group. However, some establishments particularly fast food stores report this unit group of workers to refer to those who perform various tasks such as cooking, serving, cleaning and the like.

Average basic pay in hotels and restaurants at ₱ 6,903

In June 2004, the median² monthly basic pay of time rate workers on full time basis in non-agricultural establishments covered by the survey was ₱ 7,542.

In hotels and restaurants, the average monthly basic pay was

₱ 6,903, lower by 8.5 percent than the national average.

On the other hand, average monthly cash allowance of time-rate workers in the industry at ₱ 930 is the same as the national level.

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.

Hiring rates in selected occupations in hotels and restaurants were highest for accountants and

auditors, ranging from a minimum of ₱ 4,434 to a maximum of ₱ 22,000. The minimum offers for the rest of the occupations began at ₱ 2,000 for cooks up to ₱ 17,000 for accounting and bookkeeping clerks. (Table 2)

A degree in college is required for accountants and auditors; accounting and bookkeeping clerks; and receptionists and information clerks. On the other hand, a high school diploma is the minimum educational requirement for the rest of the occupations.

Two years of experience is the requirement for accountants and auditors. Clerks; cooks; and waiters, waitresses and bartenders must have at least a year of experience. There is no experience requirement for service crew; housekeepers and related workers; helpers and cleaners; and unskilled workers.

² 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 Hotels and Restaurants, 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
H 55	Hotels and Restaurants	
2411	Accountants and Auditors	16,453
4121	Accounting and Bookkeeping Clerks	8,654
4222	Receptionist and Information Clerks	8,754
5120 ^b	Service Crew	6,096
5121	Housekeepers and Related Workers	8,472
5122	Cooks	9,406
5123	Waiters, Waitresses and Bartenders	8,121
9132	Helpers and Cleaners	7,843
9400 ^b	Unskilled Workers except Janitors, Messengers and Freight Handlers	6,770

*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 Hotels and Restaurants, 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
Accountants and Auditors	4,434	22,000	College graduate	95.7	2 years	32.3
Accounting and Bookkeeping Clerks	3,000	17,000	College graduate	95.6	1 year	38.5
Receptionists and Information Clerks	3,000	13,126	College graduate	81.3	1 year	43.3
Service Crew	2,500	11,000	High school graduate	58.5	None	83.9
Housekeepers and Related Workers	3,104	12,701	High school graduate	37.0	None	42.7
Cooks	2,000	15,000	High school graduate	50.2	1 year	42.4
Waiters, Waitresses and Bartenders	2,500	12,795	High school graduate	43.7	1 year	51.9
Helpers and Cleaners	2,500	12,777	High school graduate	67.8	None	59.4
Unskilled Workers except Janitors, Messengers and Freight Handlers	3,260	15,590	High school graduate	72.6	None	53.7

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.