



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

LABOR MARKET INTELLIGENCE REPORT

Highlights of the Occupational Wages Survey on Wage Rates in Industries

(This article is published in three different series in the Bureau of Labor and Employment's LABSTAT Updates, Vol. 15 No. 21 of September 2011 Issue, and Vol. 15 No. 25 & 26 of October 2011 Issue.)

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CODE: ST-PO 18-11-2011

The Department of Labor and Employment's Bureau of Labor and Employment Statistics (DOLE/BLES) produces a wealth of wage and salary data through the Occupational Wages Survey (OWS), a nationwide establishment survey which is aimed to generate statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations. Wage and salary data are analyzed and published in three format series, as follows:

- Wage differentials in occupations
- Highly-paid occupations
- A comparison of the average daily wage rates of unskilled workers and the minimum wage rates

This OWS is one of the designated statistical activities per E.O. (s. 1996) that requires the generation of critical data for decision making in the government and the private sector.

Data contained in this report highlight the wages for professionals and workers in non-agricultural establishments employing at least 20 persons in 65 industry groups. The reference period of the survey was August 2010.

Definition of Wage Rates including Basic Pay and Allowances

Wage rates include basic pay and regular/guaranteed cash allowances. 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 charges; and payments in kind. Allowances include cost of 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; and family allowances.

Wage rates vary across occupations and across industries. These changes are greatly attributed to the interaction of the following: employment shifts or turnover of employees in occupations and in industries, work experience/seniority/ length of service, bargaining negotiations, restructuring, among others.

A. Wage Differentials in Major Occupations

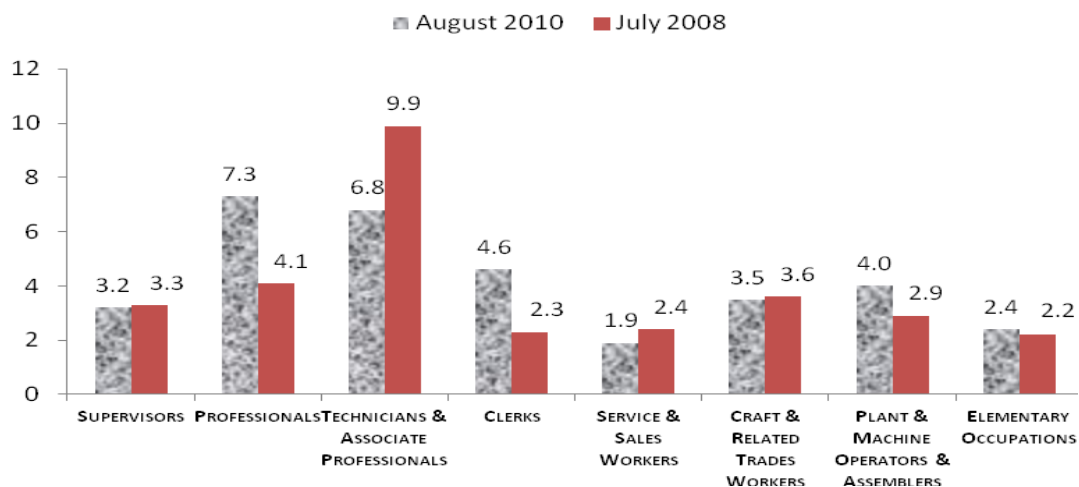
Wage differentials within major occupation groups are computed by comparing the highest wage rate to the lowest. These wage rates refer only to the selected occupations in the selected industries. In August 2010, wage ratios within occupation groups varied from 1.9 to 7.3. The highest ratio of 7.3 was noted in the major occupation group of professionals. This simply means that the highest average wage rate in the group is around 7 times that of its lowest. (see *Figure 1*)

Wage differentials narrowed down very thinly in the following groups during the periods covered: supervisors (3.2 vs. 3.3); service workers and shop and sales workers (1.9 vs. 2.4); and crafts and related trades workers (3.5 vs. 3.6).

Meanwhile, in July 2008, the highest within group ratio was observed in the occupation group of technicians and associate professionals at 9.9. This ratio slimmed down to 6.8 in August 2010.

The lowest within group wage ratio was noted in service workers and shop and market sales workers at 1.9 in August 2010 and in elementary occupations at 2.2 in July 2008. (see Figure 1)

Figure 1. Wage Differential within Major Occupation Groups, Philippines: July 2008 and August 2010



• **Skilled Occupation Groups and Unskilled Workers**

Small wage differentials between the lowest average wage rates in the skilled occupation groups and the average wage rates of unskilled workers were noted. It was observed that wage ratios of supervisors did not change at 1.8 in July 2008 and August 2010. This implies that the lowest wage rate of supervisors is almost twice that of the unskilled workers for both periods.

For the rest of the occupation groups, wage ratios ranged from 1.1 to 1.5 in August 2010 and from 1.3 to 1.6 in July 2008. The ratios declined by merely 0.1 to 0.3 during the two survey periods. (see Figure 2)

Figure 2. Wage Differential of Major Occupation Groups Relative to Wage Rates of Unskilled Workers, Philippines: July 2008 and August 2010

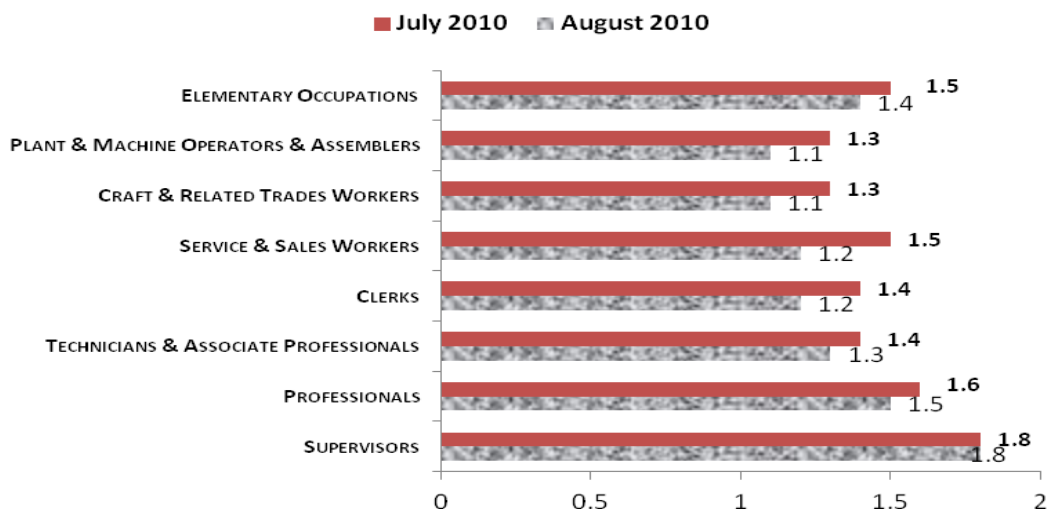


Table 1 shows the ranges of the average monthly wage rates and wage differential/ratios by major occupation group.

**Table 1. Ranges of Average Monthly Wage Rates Major Occupation Group, Philippines:
July 2008 and August 2010
(Non-agricultural Establishments Employing 20 and Over)**

| Occupation Group | July 2008 Range of Average Monthly Wage Rates (Php) | August 2010 Range of Average Monthly Wage Rates (Php) |
|---|---|---|
| Major Occupation of Selected Occupations | | |
| Supervisors | 10,152 - 33,651 | 11,384 - 36,133 |
| Professionals | 8,714 - 35,728 | 9,474 - 69,286 |
| Technicians and Associate Professionals | 7,979 - 79,187 | 8,549 - 57,789 |
| Clerks | 7,987 - 18,295 | 7,731 - 35,424 |
| Service Workers and Shop and Market Sales Workers | 8,275 - 19,751 | 7,366 - 13,663 |
| Craft and Related Trades Workers | 7,435 - 26,843 | 7,204 - 25,000 |
| Plant and Machine Operators and Assemblers | 7,070 - 20,695 | 7,027 - 28,036 |
| Elementary Occupations | 8,494 - 18,450a | 8,877 - 20,958a |

a Excludes wage rates of unskilled workers.

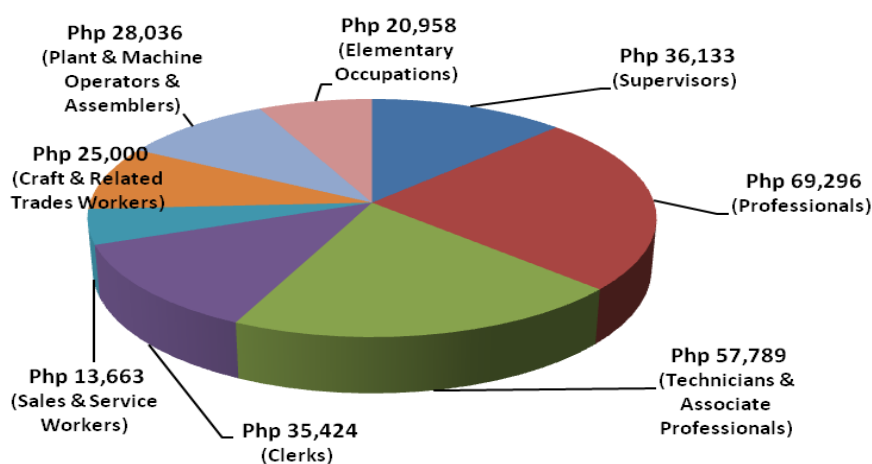
Source of data: Bureau of Labor and Employment Statistics, 2010 Occupational Wages Survey.

B. Highly-Paid Occupations

- **Highest average wage rate received by professionals**

Expectedly, the highest average monthly wage rate was received by professionals at P69,286. This was followed by Technicians and associate professionals followed at P57,789, lower by P11,497 compared with that of the professionals. Third was the Supervisors who received P36,133 which is only P709 higher than the P35,424 wage rate paid to clerks monthly. (Figure 3). Wage rates in the rest of the major occupation groups ranged from P13,663 to P28,036.

Figure 3. Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis by Major Occupation Group, Philippines: August 2010



Notes:

1. Wage rates of managerial occupations are not monitored by the OWS.
2. The wage rate in Figure 3 refers to the highest average monthly wage rate of selected occupation in the major occupation group.

- **Computer Occupations**

These occupations included computer-related activities, such as Computer Programmers and Systems Analysts and Designers, with a monthly mean wage rate of Php 43,573 and Php 42,112, respectively.

- **Transportation Occupations**

Most of these occupations had relatively high average monthly wage rates. These were: Air Transport Service Supervisors (Php 31,216), Ships' Engineers (Php 26,936), and Ships' Deck Officers and Pilots (Php 21,866).

- **Material Moving Occupations**

Production Supervisors and General Foremen in non-metallic mining and quarrying industry posted the highest average wage rate of Php 36,133. Other occupations belonging to supervisory position which exhibited high average wage rates were Communications Service Supervisors (Php 29,157) in Postal and Telecommunications Services, and Production Supervisors and General Foremen (Php 28,441) in the Manufacture of Chemicals and Chemical Products.

- **Office and Administrative Support Occupations**

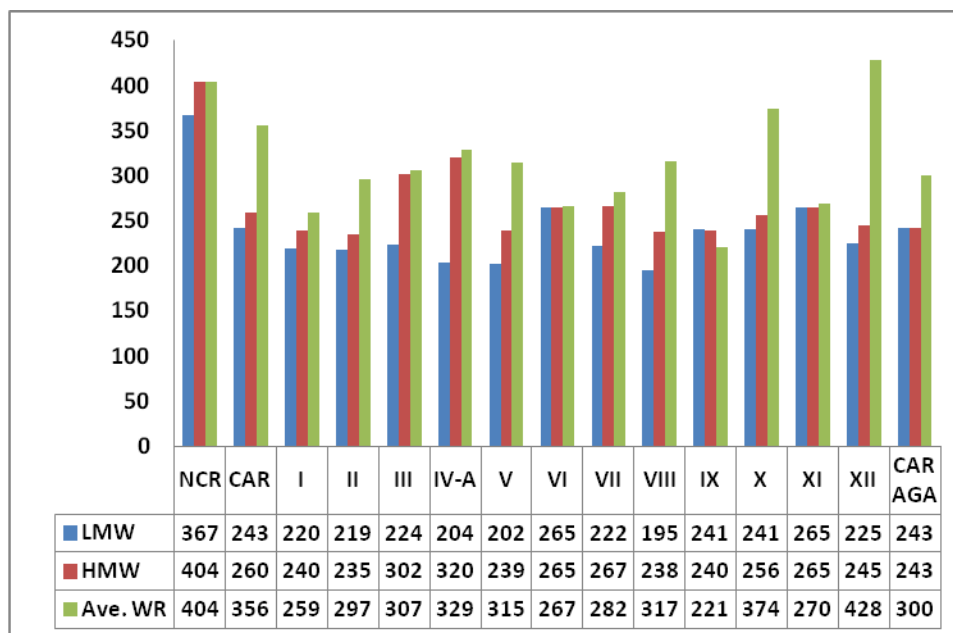
Customer Service Representatives/Associates in Call Centers in Non-bank Financial Intermediation Industry were the highest paid clerical positions at Php 35,424 monthly, followed by Data Entry Operators. Other clerical positions with fairly high average wage rates included Ticket Clerks in Air Transport, Customer Service Representatives in insurance and pension funding except compulsory social security and Telephone Switchboard Operators in Postal and Telecommunications Services.

C. Comparison of the Average Daily Wage Rates of Unskilled Workers and the Minimum Wage Rates

- ***Unskilled workers in 13 regions received higher average daily wage rates than the minimum wage rates***

Results of the 2010 OWS revealed that unskilled workers in 13 regions in the country received higher daily wage rates than the prescribed minimum wage rates (highest in the region). These regions included CAR, Regions I, II, III, IV-A, V, VI, VII, VIII, X, XI, XII, and Caraga. Average daily wage rates of unskilled workers in these regions fell outside minimum wage bands, i.e., range of lowest to highest minimum wage rates. (*Figure 4*)

Figure 4. Average Daily Wage Rates of Unskilled Workers, Lowest Minimum Wage Rates (LMW) and Highest Minimum Wage Rates (HMW) by Region, Philippines: August 2010
(In Pesos; In Non-Agricultural Establishments Employing 20 or More)



- Notes:**
1. Non-agricultural establishments include sugar mills, retail/service, cottage/handicraft, and private hospitals, which employ at least 20 workers.
 2. Average monthly wage rates of unskilled workers in non-agricultural establishments employing 20 or more workers converted to its daily equivalent, i.e., (Wage Rate X 12)/313.

Sources of data: Bureau of Labor and Employment Statistics, 2010 Occupational Wages Survey. National Wages and Productivity Commission.