

## WAGE RATES IN INDUSTRIES ... Wage Ratios of Occupations (First of a series)

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES since 1989. Through the years, the survey has undergone revisions in its periodicity, scope and coverage and survey design to meet the needs of users for statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.

The OWS is one of the designated statistical activities in E.O. 352 (s. 1996) that generates critical data for decision making in the government and the private sector. The data category **average monthly occupational wage rates in selected occupations** is among those listed by the Philippine government under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. The SDDS serves as reference to member countries in the dissemination of economic and financial data to the public.

The 2008 OWS covered non-agricultural establishments employing at least 20 persons in 65 industry groups. In particular, data on wage rates of time-rate workers on full-time basis were collected for 180 occupations across 46 specific industries. It also inquired on the distributions of time-rate workers on full-time basis along pre-determined basic pay and allowance intervals. These wage distributions led to the determination of the median monthly basic pay and the median monthly allowances in the 65 industry groups. (Note: The median divides the wage distribution into two equal parts. It is the value where half of the workers in the distribution receive more while the other half receives less.) The reference period of the survey was July 2008.

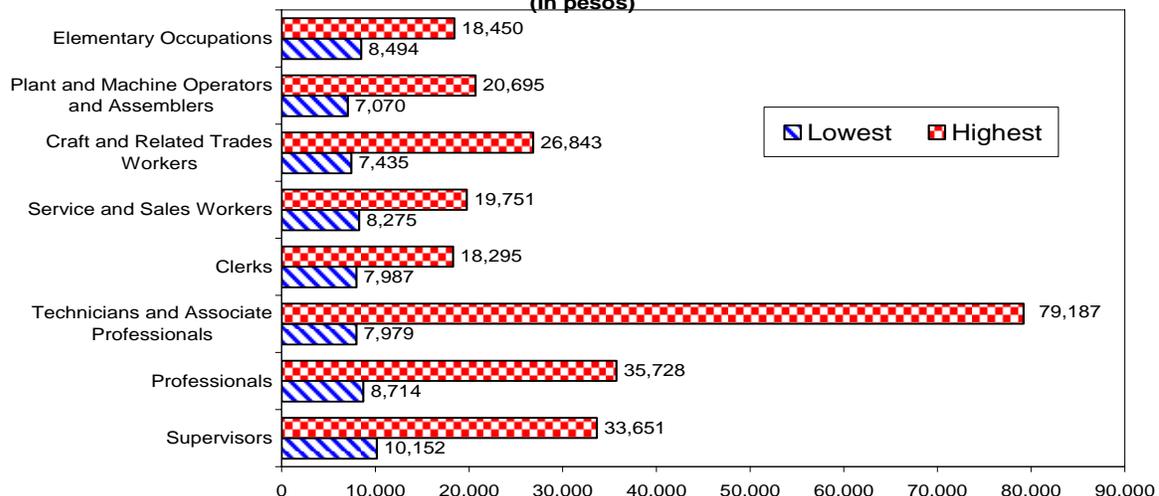
This first issue on the 2008 OWS results discusses the wage differentials (expressed in ratios) or wage variations within major occupation groups and relative to wage rates of unskilled workers. The metadata and the statistical tables of the survey are posted on the BLES website.

### Technicians and associate professionals got the highest average wage rate

Aircraft pilots, navigators and flight engineers in air transport which belong to the occupation group technicians and associate professionals received the highest average wage rate at ₱79,187. Meanwhile, the lowest

wage rate at ₱7,070 was observed among plant and machine operators and assemblers specifically those in the manufacture of wood, wood products except furniture. (Figure 1)

**FIGURE 1 - Range of Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis by Major Occupation Group, Philippines: July 2008**  
(In pesos)



Notes: 1. Wage rates of managerial occupations are not monitored by the OWS.

2. The lowest and highest wage rates refer to the range of averages and not to the actual lowest and highest wage rate in the occupation group.

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

### **Wage ratios within major occupation groups highest among technicians and associate professionals**

It is worthy to note that levels of wage rates may change because of the interaction of the following factors: employment shifts or turnover of employees in occupations and industries, seniority or length of service, bargaining negotiations, restructuring, etc.

Below are the wage differentials (expressed in ratios) or wage variations within major occupation groups, that is, the highest wage rate compared to the lowest wage rate. These wage rates refer only to the selected occupations in the selected industries.

The highest within group ratio was observed in the major occupation group technicians and associate professionals at 8.3 in August 2006 and 9.9 in July 2008. This implies that the highest average wage rate in the group is around 8 times that of its lowest in August 2006 and around 10 times of its lowest in July 2008. The occupation group professionals followed with ratios of 5.9 and 4.1 during the period, respectively. Relatively large variations can be explained by the greater variability in knowledge and skills in

the above-mentioned groups. The lowest within group wage ratio was noted in the service and sales workers at 1.8 in August 2006; and in clerks at 2.3 in July 2008.

<b>Major Occupation Group</b>	<b>Aug. 2006</b>	<b>July 2008</b>
Supervisors	2.8	3.3
Professionals	5.9	4.1
Technicians and Associate Professionals	8.3	9.9
Clerks	2.7	2.3
Service and Sales Workers	1.8	2.4
Craft and Related Trades Workers	3.2	3.6
Plant and Machine Operators and Assemblers	4.2	2.9

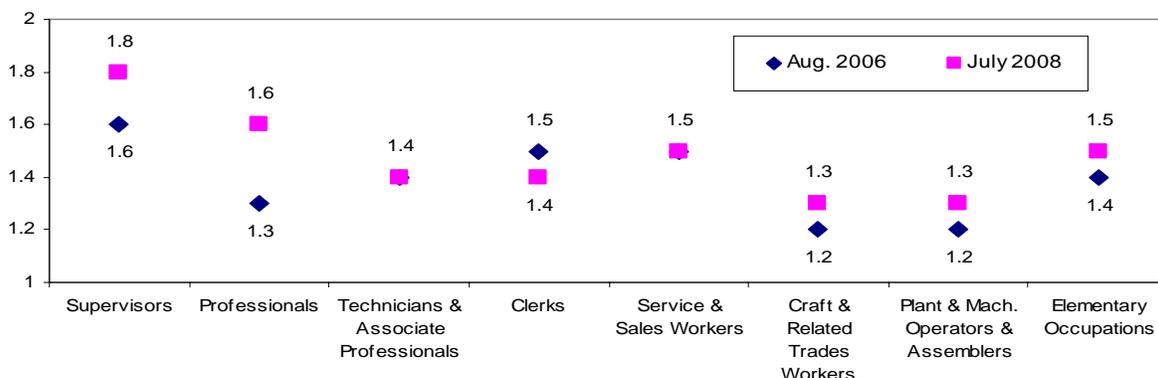
It was also observed that wage differentials narrowed down in three occupation groups during the period covered, namely: professionals (5.9 vs. 4.1); clerks (2.7 vs. 2.3); and plant and machine operators and assemblers (4.2 vs. 2.9).

### **Lowest wage rates of skilled occupation groups varied slightly relative to those of unskilled workers**

The wage ratios of the skilled occupation groups (lowest wage rate) were also compared to the wage rates of unskilled workers. The wage rate of unskilled workers was used as these workers are located at the bottom of the pay structure.

The wage ratios ranged from 1.2 to 1.6 in August 2006 and from 1.3 to 1.8 in July 2008. This means that the lowest average wage rates in the skilled occupation groups revealed small wage differentials compared to the average wage rates of unskilled workers in the span of two years. (Figure 2)

**FIGURE 2 - Wage Ratios of Major Occupation Groups Relative to Wage Rates of Unskilled Workers, Philippines: August 2006 and July 2008**



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

**FOR INQUIRIES:**

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