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

*The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES which aims to generate statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.*

*The OWS is one of the designated statistical activities per E.O. 352 (s. 1996) that requires the generation of critical data for decision making in the government and the private sector. The data "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 2010 OWS covered non-agricultural establishments employing at least 20 persons in 65 industry groups. 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. The reference period of the survey was August 2010.*

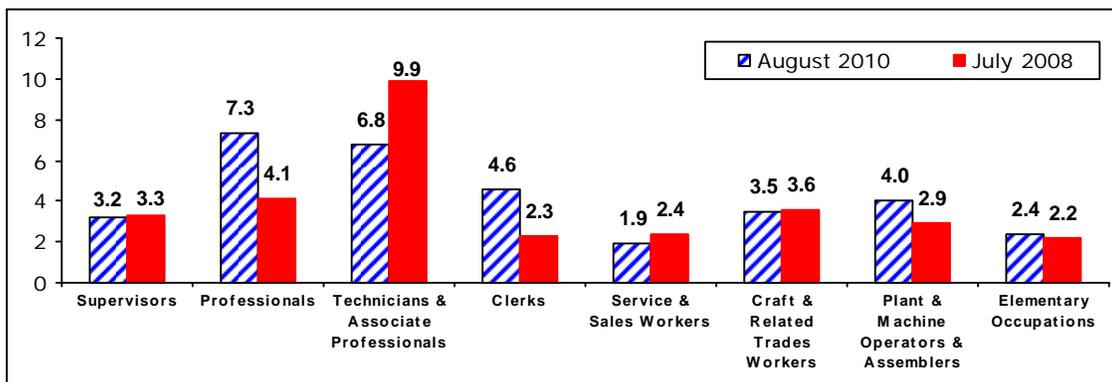
*This first issue of LABSTAT Updates presents a comparison between the 2008 and 2010 OWS on wage differentials (expressed in ratios) or wage variations within major occupation groups and relative to wage rates of unskilled worker. The metadata and the statistical tables of the survey are posted at the BLES website.*

### **Wage differential within major occupation groups highest among professionals in 2010**

- 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.
- Wage differentials (expressed in ratios) 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.
- 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.

- Similarly, 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).
- 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. (Figure 1)

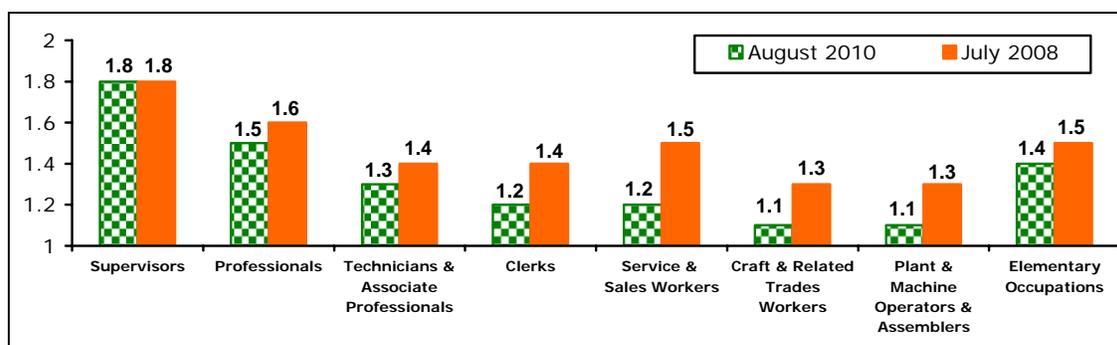
**FIGURE 1 – Wage Differential within Major Occupation Groups, Philippines: July 2008 and August 2010**



***Small wage differentials between lowest wage rates of skilled occupation groups and those of unskilled workers***

- The lowest wage rates of the skilled occupation groups were compared to the wage rates of unskilled workers. The wage rates received by unskilled workers were used as these are found at the bottom of the pay structure.
- 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 the 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. (Figure 2)

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



**FOR INQUIRIES**

Regarding this report contact LABOR STANDARDS STATISTICS DIVISION at 527-3000 loc 311

Regarding other statistics and technical services contact BLES Databank at 527-9311

Or write to BLES c/o Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila 1002

FAX 527-5506

E-mail: bles\_issd@yahoo.com or visit our website at <http://www.bles.dole.gov.ph>

**TABLE 1 - Ranges of Average Monthly Wage Rates and Wage Differentials/Ratios by Major Occupation Group, Philippines: August 2010**  
(Non-agricultural Establishments Employing 20 and Over)

Occupation Group	Range of Average Monthly Wage Rates (₱)	Wage Differential/Ratio	
		Within Group <sup>1</sup>	Relative to Unskilled <sup>2</sup>
<b>Benchmark Occupations</b>			
Accounting and Bookkeeping Clerks	9,408 - 21,177	2.3	1.5
Unskilled Workers except Janitors, Messengers and Freight Handlers	6,380 - 11,480	1.8	1.0
<b>Major Occupation of Selected Occupations</b>			
Supervisors	11,384 - 36,133	3.2	1.8
Professionals	9,474 - 69,286	7.3	1.5
Technicians and Associate Professionals	8,549 - 57,789	6.8	1.3
Clerks	7,731 - 35,424	4.6	1.2
Service Workers and Shop and Market Sales Workers	7,366 - 13,663	1.9	1.2
Craft and Related Trades Workers	7,204 - 25,000	3.5	1.1
Plant and Machine Operators and Assemblers	7,027 - 28,036	4.0	1.1
Elementary Occupations	8,877 - 20,958 <sup>a</sup>	2.4	1.4

*a Excludes wage rates of unskilled workers.*

*1 Wage ratio of highest wage rate to lowest in the occupational group.*

*2 Wage ratio of lowest wage rate in the occupational group to lowest wage rate of unskilled workers.*

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

**TABLE 2 - Ranges of Average Monthly Wage Rates and Wage Differentials/Ratios by Major Occupation Group, Philippines: July 2008**  
(Non-agricultural Establishments Employing 20 and Over)

Occupation Group	Range of Average Monthly Wage Rates (₱)	Wage Differential/Ratio	
		Within Group <sup>1</sup>	Relative to Unskilled <sup>2</sup>
<b>Benchmark Occupations</b>			
Accounting and Bookkeeping Clerks	9,218 - 19,121	2.1	1.6
Unskilled Workers except Janitors, Messengers and Freight Handlers	5,587 - 11,823	2.1	1.0
<b>Major Occupation of Selected Occupations</b>			
Supervisors	10,152 - 33,651	3.3	1.8
Professionals	8,714 - 35,728	4.1	1.6
Technicians and Associate Professionals	7,979 - 79,187	9.9	1.4
Clerks	7,987 - 18,295	2.3	1.4
Service Workers and Shop and Market Sales Workers	8,275 - 19,751	2.4	1.5
Craft and Related Trades Workers	7,435 - 26,843	3.6	1.3
Plant and Machine Operators and Assemblers	7,070 - 20,695	2.9	1.3
Elementary Occupations	8,494 - 18,450 <sup>a</sup>	2.2	1.5

*a Excludes wage rates of unskilled workers.*

*1 Wage ratio of highest wage rate to lowest in the occupational group.*

*2 Wage ratio of lowest wage rate in the occupational group to lowest wage rate of unskilled workers.*

*Source of data: Bureau of Labor and Employment Statistics, 2008 Occupational Wages Survey.*