

### SURVEY OF OCCUPATIONAL EMPLOYMENT PATTERNS IN FINANCIAL INTERMEDIATION INDUSTRY (Third of a Series)



This issue of LABSTAT Updates is the third in the series on industry occupational employment patterns based on the results of the 2006 BLES Integrated Survey (BITS) - a nationwide sample survey covering 7,630 non-agricultural establishments with at least 20 workers. This issue features the occupational employment patterns in the financial intermediation industry focusing on employment by major occupation group; vital and hard-to-fill occupations; and duration or length of time hard-to-fill occupations remained unfilled.

#### Number and Total Employment of Establishments

The financial intermediation industry represents a small segment of the country's economic sector. Its contribution to the nation's economy in 2006 was estimated at only 5.2% of Gross Domestic Product (GDP).

Out of the twelve (12) major industries covered by the 2006 BITS, financial intermediation industry accounted for only 4.2% of the total establishments and almost the same percentage share (4.0%) of total employment. (Table 1)

Financial intermediation has four (4) sub-sectors, of which banking institution except central banking (48.2%) is the largest. The other three (3) include non-bank financial intermediation (29.9%); insurance and pension funding, except compulsory social security (12.4%); and activities auxiliary to financial intermediation (9.6%).

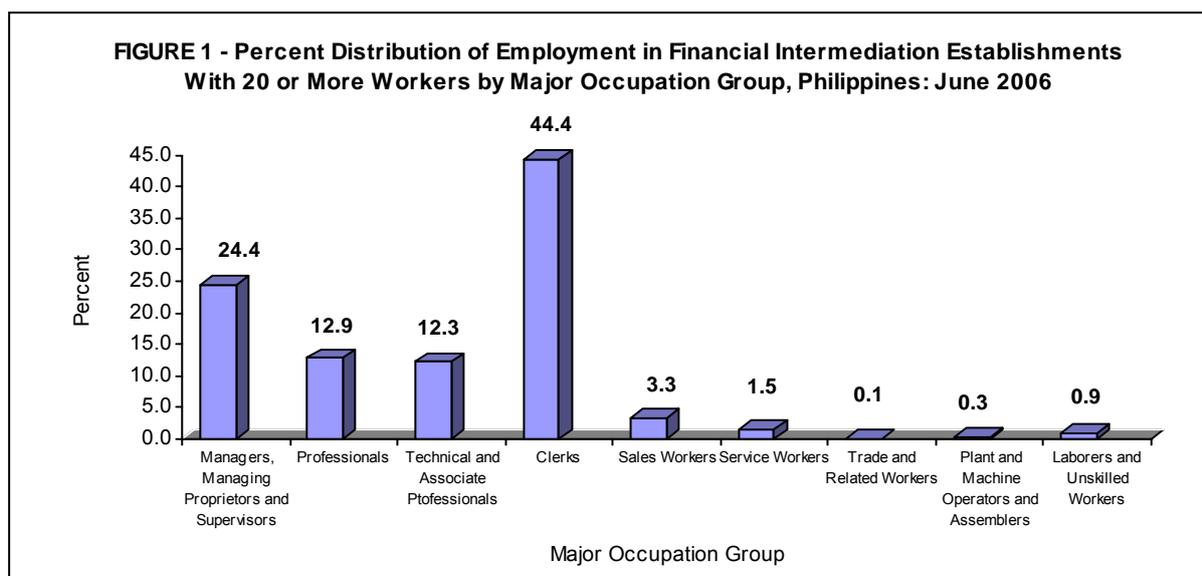
**TABLE 1 - Total Employment and Number of Financial Intermediation Establishments With 20 or More Workers Philippines: June 2006**

Indicator	All Industries	Financial Intermediation
<b>Establishment</b>		
-Number	25,349	1,074
-Percent share (%)	100.0	4.2
<b>Employment</b>		
-Number	2,887,510	115,984
-Percent share (%)	100.0	4.0

Source of data: BLES, 2006 BITS.

#### Occupational Employment Patterns

Classified by major occupation group, employment in this industry was dominated by four major groups, namely: clerks (44.4%); managers, managing proprietors and supervisors (24.4%); professionals (12.9%); and technical and associate professionals (12.3%). Their importance reflects the nature of activities in financial intermediations which rely heavily on professionals and knowledge-based workers.



Source of data: BLES, 2006 BITS.

The rest of the workforce were classified as sales workers (3.3%); service workers (1.5%); and trade and related workers; plant and machine operators and assemblers; and laborers and unskilled workers which account for less than 1% each. (Figure 1)

### Vital Occupations

A total of 57 specific occupations were identified by the survey respondents as vital to the success of their business operations. Of this number, twenty (20) are listed below.

1. Accountants and auditors
2. Finance and administration managers
3. Production and operations managers in business services
4. Tellers and other counter clerks
5. Cashiers and ticket clerks
6. Sales and marketing managers
7. Directors and chief executives of corporations
8. Statistical and finance clerks
9. General managers/managing-proprietors of business services
10. Personnel and industrial relations managers
11. Accounting and bookkeeping clerks

12. Debt collectors and other related workers
13. Bookkeepers
14. Receptionists and information clerks
15. Computer programmers
16. Appraisers and valuers
17. Insurance representatives
18. Securities and finance dealers and brokers
19. Trade brokers
20. Economists

### Hard-to-Fill Occupations

Nearly one in every five establishments engaged in financial intermediation (21.5% or 231) encountered difficulties in recruiting qualified applicants to fill up job openings in their establishments in the past three years.

Again, they listed a total of 34 specific occupations considered as hard-to-fill, of which twenty (20) occupation titles are listed below:

1. Accountants and auditors
2. Sales and marketing managers
3. Computer programmers
4. Advertising and public relations managers
5. Appraisers and valuers
6. Bookkeepers

7. Systems analysts and designers
8. Accounting and bookkeeping clerks
9. Receptionists and information clerks
10. Mathematicians and actuaries
11. Finance and administration managers
12. Directors and chief executives of corporations
13. Computing services managers
14. Personnel and industrial relations managers
15. Economists
16. General managers/managing-proprietors of business services
17. Personnel and human resource development professionals
18. Statistical and finance clerks
19. Tellers and other counter clerks
20. Debt collectors and other related workers

Note that there are fifteen (15) occupations in the list that also appeared in the vital occupation list which makes them even more critical in terms of supply considerations. These occupations are:

1. Accountants and auditors
2. Sales and marketing managers
3. Computer programmers
4. Appraisers and valuers
5. Bookkeepers
6. Accounting and bookkeeping clerks
7. Receptionists and information clerks
8. Finance and administration managers
9. Directors and chief executives of corporations
10. Personnel and industrial relations managers
11. General managers/managing-proprietors of business services
12. Statistical and finance clerks
13. Tellers and other counter clerks
14. Debt collectors and other related workers
15. Economists

### Duration or Length of Time Hard-to-Fill Occupations Remained Unfilled

The median and mean months it took employers to fill up a vacancy considered as "hard-to-fill" were computed at six (6) months and approximately seven and a half (7.41) months, respectively. (Table 2)

**TABLE 2 – Frequency Distribution of Hard-to-Fill Occupations in Financial Intermediation Establishments With 20 or More Workers by Number of Months They Remained Unfilled, Philippines: June 2006**

Months	Frequency	Percent
<b>Total Responses</b>	<b>341</b>	<b>100.0</b>
1 – 3 months	108	31.7
4 - 6 months	147	43.1
7 – 12 months	56	16.4
More than 12 months	29	8.5
Not Specified	1	0.3
Mean = 7.41		
Median = 6.0		

Source of data: BLES, 2006 BITS.

The difference between the two figures can be explained by the fact that while majority (43.1%) of the vacancies were filled up within the six-month period, still there were notable numbers of extreme values or *outliers* in the data distribution.

The *outliers* include responses with waiting time of seven months to one year to recruit the qualified applicants (16.4%) and those who waited for more than one year (8.5%).

**TABLE 3 – Top Hard-to-Fill Jobs Unfilled for More Than One Year in Financial Intermediation Establishments With 20 or More Workers Philippines: June 2006**

<b>BANKING INSTITUTIONS EXCEPT CENTRAL BANKING</b>
<ul style="list-style-type: none"> <li>• Production and operations managers</li> <li>• Sales and marketing managers</li> <li>• Computer programmers</li> </ul>
<b>NON-BANK FINANCIAL INTERMEDIATION</b>
<ul style="list-style-type: none"> <li>• Lawyers</li> <li>• Computer programmers</li> <li>• Accounting and bookkeeping clerks</li> </ul>
<b>INSURANCE AND PENSION FUNDING, EXCEPT COMPULSORY SOCIAL SECURITY</b>
<ul style="list-style-type: none"> <li>• Accountants and auditors</li> </ul>
<b>ACTIVITIES AUXILIARY TO FINANCIAL INTERMEDIATION</b>
<ul style="list-style-type: none"> <li>• Computer programmers</li> </ul>

Source of data: BLES, 2006 BITS.

The table above shows the list of hard-to-fill jobs which took more than one year “waiting” period before they were filled up.

### Reasons Why Hard-to-Fill Occupations Exist

Hard-to-fill occupations exist because of several reasons. The most frequently cited reason (68.9%) was shortage of qualified applicants who meet the competency requirements of a job or those that require professional license. The next reason mentioned was shortage of qualified applicants due to stiff competition among local firms for few available talents (13.5%).

Other responses were the high asking salary and compensation package (8.8%) and the perception that most of the qualified applicants preferred overseas jobs over local employment (3.2%). (Table 4)

**TABLE 4 – Frequency Distribution of Hard-to-Fill Occupations in Financial Intermediation Establishments With 20 or More Workers by Reason, Philippines: June 2006**

Reason	Frequency	Percent (%)
<b>Total Responses</b>	<b>341</b>	<b>100.0</b>
Absence/lack of qualified applicants	235	68.9
High asking salary	30	8.8
Shortage of applicants due to local competitions	46	13.5
Shortage of applicants due to overseas employment	11	3.2
“Location” problem/ work schedule	0	0
Not Related	17	5.0
Not Specified	1	0.3

Source of data: BLES, 2006 BITS.

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