



**2014 SURVEY OF EMPLOYMENT
IN ESTABLISHMENTS WITH 20 OR MORE WORKERS**

STATISTICS ON AGENCY-HIRED WORKERS

(Second of a series)

This LABSTAT Updates is based on the results of the 2013/2014 Integrated Survey on Labor and Employment (ISLE). The ISLE is a nationwide sample survey covering 8,399 establishments with at least 20 workers. This issue presents statistics on the employment of agency-hired workers as another form of contingent work arrangements resorted to by some firms to complement their workforce. Specifically, it presents statistics on: (1) the extent to which firms or establishments across industry groups resort to agency-hired workers to augment their workforce; and (2) the types of jobs/services outsourced by firms to manpower agencies.

Agency-hired workers refer to workers hired through contractors. In the 2013/2014 ISLE, they are defined as "workers employed by contractors to perform or complete a job, work or service pursuant to a service agreement within the premises of the establishment". They are excluded from the establishment's total employment.

The metadata and statistical tables of the survey are posted at the PSA website.

The hiring of workers through intermediaries or manpower agencies by establishments has grown in recent years. This practice has evolved into various forms of services - a departure from its traditional role of providing mainly security and janitorial services. Today, manpower agencies offer a wide range of services that encompass not only non-core activities of firms.

Three out of every five establishments had agency-hired workers

- Of the estimated 35,214 establishments with at least 20 workers in June 2014, three out of every five (61.5% or 21,650) engaged the services of agency-hired workers. (Table 1)

- Across industry groups, private health and social work activities posted the highest proportion of establishments with agency-hired workers (81.0%). This was followed by electricity, gas, steam and air conditioning supply (73.7%); arts, entertainment and recreation (71.8%); water supply, sewerage, waste management and remediation activities (70.0%); manufacturing (69.6%); and financial and insurance activities (68.6%).

The lowest proportions were observed in repair of computers and personal and household goods, and other personal service activities (26.5%); and administrative and support

service activities (31.1%). (Table 2)

Manufacturing hired the largest number of agency workers

- Based on the survey results, the number of agency-hired workers was recorded at 621,905 or 12.2% of the total 5.094 million persons engaged by the establishments on June 30, 2014.

TABLE 1 - Number of Establishments with 20 or More Workers with/ without Agency-Hired Workers and Total Persons Engaged, Philippines: June 2014

INDICATOR	Number
NUMBER OF ESTABLISHMENTS	35,214
- With agency-hired workers	21,650
- Without agency-hired workers	13,564
<i>% of establishments with agency-hired workers</i>	61.5
TOTAL PERSONS ENGAGED ('000)	5,094
- Total employment	4,472
- Agency-hired workers	622
<i>% share of agency-hired workers to total persons engaged</i>	12.2

Source of data: *Philippine Statistics Authority, 2013/2014 ISLE.*

- Among industries, the biggest number of agency-hired workers was noted in manufacturing at 244,538 or 39.3% of total agency-hired workers reported in 2014. This implies that two in every five agency-hired workers were engaged in manufacturing activities. (Table 3)
- Wholesale and retail trade ranked far second at 90,763 or 14.6% of total agency-hired workers.
- The rest were distributed across other industry groups, mostly in agriculture, forestry and fishing (7.1% or 43,955); accommodation and food service activities (7.0% or 43,354); and

financial and insurance activities (5.4% or 33,781).

- Meanwhile, negligible proportions were noted in three industries, namely, repair of computers and personal and household goods, and other personal service activities (0.3% or 1,602); water supply, sewerage, waste management and remediation activities (0.5% or 3,119); and construction (1.0% or 6,500).

Agency-hired workers engaged by establishments mainly for security and janitorial services

- Agency workers were hired by most establishments primarily for security and janitorial services. Survey data showed that nearly two-fifths (36.8% or 228,886) of total agency-hired workers in 2014 were engaged for these services. (Table 3)
- This proportion varied across industries. For security services, high proportion was observed in financial and insurance activities (59.1%); water supply, sewerage, waste management and remediation activities (47.1%); and private education (47.1%). For janitorial services, the highest proportion was reported in private health and social work activities (41.1%); and again in private education (33.7%).
- The next largest share of agency-hired workers were those engaged to carry out activities related to production/assembly which involved one-fourth (25.8% or 160,355) of the total reported workers hired through agencies.

- This practice was particular to manufacturing industry but limited only to a small proportion (16.0%) of the total number of manufacturing establishments, i.e., 1,052 out of 6,562 establishments.
- Other jobs/services contracted out that can be regarded as industry specific were: packaging (70.0%) and warehousing (44.8%) in manufacturing; cashiering (65.3%) and marketing/sales activities (62.5%) in wholesale and retail trade; food service/catering (64.7%) in accommodation and food service activities; messengerial tasks (40.9%) in financial and insurance activities; and IT services (25.9%) in information and communication.
 - The rest of the agency-hired workers were involved in other services that were generally common across industries such as repair/maintenance, general administrative, human resource, finance and accounting, and medical and health services.

FOR INQUIRIES

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**TABLE 2 - Number of Establishments with 20 or More Workers with Agency-Hired Workers
by Major Industry Group, Philippines: June 2014**

MAJOR INDUSTRY GROUP	Total Establishments	With Agency-Hired Workers		
		Total	Percent to Total Establishments	Percent Share
ALL INDUSTRIES	35,214	21,650	61.5	100.0
Agriculture, forestry and fishing	1,370	662	48.3	3.1
Mining and quarrying	195	110	56.4	0.5
Manufacturing	6,562	4,567	69.6	21.1
Electricity, gas, steam and air conditioning supply	422	311	73.7	1.4
Water supply; sewerage, waste management and remediation activities	315	221	70.0	1.0
Construction	1,042	460	44.1	2.1
Wholesale and retail trade; repair of motor vehicles and motorcycles	7,744	4,929	63.7	22.8
Transportation and storage	1,160	657	56.6	3.0
Accommodation and food service activities	4,775	3,133	65.6	14.5
Information and communication	926	473	51.1	2.2
Financial and insurance activities	1,532	1,051	68.6	4.9
Real estate activities	508	312	61.4	1.4
Professional, scientific and technical activities	744	377	50.6	1.7
Administrative and support service activities	2,145	666	31.1	3.1
Education except public education	4,139	2,692	65.0	12.4
Human health and social work activities except public health activities	923	748	81.0	3.5
Arts, entertainment and recreation	208	149	71.8	0.7
Repair of computers and personal and household goods; other personal service activities	504	134	26.5	0.6

Note: Details may not add up to totals due to rounding of figures.

Source of data: Philippine Statistics Authority, 2013/2014 Integrated Survey on Labor and Employment (ISLE).

TABLE 3 - Number of Agency-Hired Workers in Establishments with 20 or More Workers by Type of Jobs/Services Contracted Out and Major Industry Group, Philippines: June 2014

MAJOR INDUSTRY GROUP	Workers Hired through Contractors	Security Services	Janitorial	General Administrative	Marketing/Sales	Packaging	Production/Assembly	Research and Development	IT Services	Food Service/Catering	Logistics/Transport	Repair/Maintenance/Construction	Warehousing	Medical and Health Services	Cashier	Messenger	Billing/Payment	Human Resource	Data Processing/Encoding	Finance/Accounting	Learning/Training	Others
ALL INDUSTRIES	621,905	162,453	66,433	16,362	25,554	23,246	160,355	1,510	5,544	27,600	9,918	33,134	17,475	2,650	9,482	5,313	1,702	2,236	3,189	5,258	422	42,073
Agriculture, forestry and fishing	43,955	8,615	623	230	-	939	14,716	263	2	-	274	5,701	59	92	51	53	51	58	53	235	48	11,891
Mining and quarrying	9,073	3,029	418	51	7	-	2,801	-	33	23	92	771	42	64	2	10	-	19	4	27	-	1,681
Manufacturing	244,538	31,029	12,347	3,417	3,636	16,282	138,306	572	814	5,868	4,742	8,676	7,826	557	97	300	64	432	403	709	106	8,354
Electricity, gas, steam and air conditioning supply	22,260	9,454	3,157	1,125	-	-	-	-	66	143	428	6,867	224	208	19	9	168	11	69	19	-	295
Water supply; sewerage, waste management and remediation activities	3,119	1,470	167	122	4	-	306	3	98	1	21	601	29	8	8	5	84	14	12	39	-	128
Construction	6,500	2,053	221	159	1	5	8	4	170	4	20	1,591	17	30	33	5	3	67	9	170	1	1,928
Wholesale and retail trade; repair of motor vehicles and motorcycles	90,763	29,938	8,932	2,525	15,960	5,301	2,682	493	481	161	1,522	2,485	6,199	51	6,195	596	579	696	797	1,074	45	4,054
Transportation and storage	19,944	5,759	1,368	217	880	61	483	46	100	71	692	751	2,708	11	69	305	253	66	469	182	18	5,434
Accommodation and food service activities	43,354	10,949	4,029	1,059	699	-	543	4	61	17,868	1,083	1,613	231	168	2,228	1,097	17	136	17	410	-	1,142
Information and communication	18,153	5,122	3,010	592	2,575	6	29	4	1,437	-	246	176	51	44	378	143	94	225	245	290	10	3,478
Financial and insurance activities	33,781	19,973	6,389	1,571	243	-	-	1	547	51	239	107	8	35	50	2,175	282	102	769	437	2	801
Real estate activities	13,551	5,879	3,333	1,982	186	-	-	-	10	349	53	458	-	31	9	200	9	-	3	-	-	1,047
Professional, scientific and technical activities	7,971	2,083	1,388	283	1,213	1	66	4	715	130	253	186	9	98	5	94	19	135	198	690	16	386
Administrative and support service activities	17,060	7,229	4,746	536	39	652	-	108	791	232	95	990	34	457	9	262	2	152	55	461	31	178
Education except public education	26,906	12,685	9,076	1,812	50	-	56	7	166	254	71	975	-	327	202	14	49	83	78	355	144	503
Human health and social work activities except public health activities	12,009	4,410	4,932	401	7	-	2	1	53	605	81	560	28	437	83	42	28	39	5	131	-	161
Arts, entertainment and recreation	7,364	2,477	2,006	249	19	-	-	-	-	1,841	3	538	3	32	45	2	-	2	-	22	-	124
Repair of computers and personal and household goods; other personal service	1,602	300	290	30	33	-	356	-	-	-	2	89	7	-	-	1	-	-	-	8	-	487

Note: Details may not add up to totals due to rounding of figures.

Source of data: Philippine Statistics Authority, 2013/2014 Integrated Survey on Labor and Employment (ISLE).