



ISO 9001:2000 Certified

Department of Labor and Employment
Manila, Philippines

LABSTAT

Updates

Vol. 9 No. 11

February 2005

STATISTICS ON AGENCY-HIRED WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS WITH 20 OR MORE WORKERS: 2003 (Fourth of a series on Employment)



This LABSTAT is fourth in a series of reports that focuses on employment based on the results of the 2002/2003 BLES Integrated Survey of Establishments (BITS) conducted in 2003 in coordination with the DOLE Regional Offices. The BITS is a nationwide survey covering 6,818 sample non-agricultural establishments with 20 or more workers. It aims to generate an integrated data set on employment, labor relations, labor cost, and occupational safety in the workplace as basis for policy planning and program formulation.

OVERVIEW

The hiring of workers through employment agencies or intermediaries is another type of labor flexibility arrangement that emerged in the last two decades in response by some firms to cope with the increasing internationalization of trade. As a form of external flexibility, this labor practice allows a firm to adjust the size of its workforce to output demand fluctuations or to focus on its core product or activity that enables them to compete more effectively in the market for their products.

Agency employment, however, raises several issues on security of tenure since agency-hired workers are usually given employment contracts of limited duration (usually less than six months) and are excluded from receiving all benefits due of a regular worker (since they are not considered part of the establishment workforce).

In order to obtain information on workers' working arrangements, which is one of the objectives of the survey, the 2002/2003 BITS was conducted. This issue presents statistics on workers hired by establishments through agencies. Specifically, it looks into the extent of employment of these workers across industry groups, the type of services they are commonly hired for and the characteristics of establishments that engaged their service.

Employment data from the 2002/2003 BITS was based on the payroll period June 30, 2003. In this survey, **agency-hired workers** was defined as *workers hired through agencies/contractors to perform or complete a job, work or service within the premises of the establishment.* They were not considered part of the total employment of the establishment for which they were engaged.

SURVEY HIGHLIGHTS

Number of Agency-Hired Workers

Agency-hired workers made up 10.8 percent of the total number of persons engaged by non-agricultural establishments with 20 or more workers in June 2003. This translates to 316,400 workers out of the estimated 2,919,100 persons engaged by the establishments covered in this survey.

Industry

Employment of agency-hired workers cuts across industry groups and was observed to be fairly common in seven (7) sub-industry groups in which they formed more than 10 percent of total persons engaged during the survey period, namely: mining and quarrying (21.1%), electricity, gas and water (18.8%), financial intermediation (15.1%), real estate, renting and business activities (11.7%), hotels and restaurants (11.7%), wholesale and retail trade (11.4%) and manufacturing (11.2%).

Their presence was less felt in construction (4.4%), private health and social work (6.1%), other community, social and personal services (6.2%) and private education (6.2%).

Type of Service

The provision of security services ranked foremost among the type of jobs most sought by establishments from employment agencies. As shown in Table 3, agency workers involved in security services comprised the largest proportion to total agency employment (37.1% or 117,400).

Type of Worker	Employment	
	Number	Percent (%)
Total Persons Engaged	2,919,100	100.0
Establishment Employment	2,602,700	89.2
Working owners/unpaid workers	20,700	1.3
Paid Employees	2,582,000	88.5
- Time-Rate Workers	2,499,500	85.6
Full-time	2,433,800	83.4
Part-time	65,700	2.2
- Output-Rated Workers	71,000	2.4
- Commission Workers	11,500	0.4
Agency-Hired Workers	316,400	10.8

Source: Bureau of Labor and Employment Statistics, 2002/2003 BLES Integrated Survey.

Industry	Total Number of Persons Engaged	Agency-Hired Workers		
		Number	Percent Share (%)	Percent Distribution (%)
ALL INDUSTRIES	2,919,100	316,400	10.8	100.0
Mining and Quarrying	25,100	5,300	21.1	1.7
Manufacturing	1,125,300	125,700	11.2	39.7
Electricity, Gas and Water	87,900	16,500	18.8	5.2
Construction	84,600	3,700	4.4	1.2
Wholesale and Retail Trade	422,400	48,100	11.4	15.2
Hotels and Restaurants	172,400	20,100	11.7	6.3
Transport, Storage and Communications	221,800	19,100	8.6	6.0
Financial Intermediation	155,400	23,400	15.1	7.4
Real Estate, Renting and Business Activities	288,700	33,700	11.7	10.6
Private Education Services	208,000	13,000	6.2	4.2
Private Health and Social Work	62,400	3,800	6.1	1.2
Other Community, Social and Personal Service Activities	65,000	4,000	6.2	1.3

*Note: Details may not add up to total due to rounding.
Source: Bureau of Labor and Employment Statistics, 2002/2003 BLES Integrated Survey.*

Production/assembly jobs ranked second (23.0%) and were most common in the manufacturing sector. Significant numbers were also employed for the provision of janitorial services (15.2%) and in the area of marketing and sales (10.6%).

The rest were engaged in activities related to general administration (3.3%), transport (3.0%), packaging (1.8%), IT (0.9%) and research and development (0.4%).

TABLE 3 - NUMBER OF AGENCY-HIRED WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS WITH 20 OR MORE WORKERS BY TYPE OF JOB/SERVICE, PHILIPPINES: JUNE 2003		
Type of Job/Service	Total Agency-Hired Workers	Percent (%)
ALL JOBS/SERVICES	316,400	100.0
Security Services	117,400	37.1
Production/Assembly	72,900	23.0
Janitorial Services	48,200	15.2
Marketing/Sales	33,600	10.6
Gen. Administration Services	10,500	3.3
Transport Services	9,500	3.0
Packaging	5,800	1.8
IT Services	2,900	0.9
Research & Development	1,400	0.4
Repair and Maintenance	4,900	1.5
Food and Catering	5,200	1.6
Construction	1,000	0.3
Others	3,200	1.0

*Note: Details may not add up to total due to rounding.
Source: Bureau of Labor and Employment Statistics, 2002/2003 BLES Integrated Survey.*

Establishment Profile

Of the total 24,533 establishments covered in this survey, approximately 60.8 percent or 14,920 relied on agency workers to perform various tasks in their operations. In terms of employment, however, agency workers comprised only 10.8 percent (316,400 out of 2.919 million) of total persons engaged by all establishments covered in this survey

as noted earlier. This figure translates to an average of 21 agency workers per establishment as shown in Table 4.

Size of Establishment

Large firms are more inclined to employ agency workers than smaller ones. Survey results indicate that the proportion of establishments with agency workers was lower among small-sized establishments (20-99 workers) at only 57.0 percent as compared to establishments with 100-199 workers (77.1%) and establishments with 200 and more workers (76.7%).

It can be observed that the average number of agency workers per establishment increases with the size of establishment workforce as follows: 10 workers for establishments with 20 to 99 workers; 31 workers for establishments with 100 to 199 workers; and 84 workers for establishments with 200 workers and over.

Ownership

By ownership, nearly three-fourths of establishments with foreign equity (71.6%) employed agency-hired workers in their operations. The proportion was lower for locally-owned establishments at 59.1 percent. The average number of agency workers hired by establishment was also greater for the former than for the latter category of establishment, 44 and 17, respectively.

Type of Market

The practice of employing agency workers is more common among export-oriented establishments than those catering only to the local market. Nearly three-fourths (73.0%) of export-oriented establishments relied on agency workers as compared to 58.3 percent for those establishment producing mainly for domestic market. The average number of agency workers hired by export-oriented establishments was almost three times the number hired by non-export establishments, 42 and 16, respectively.

Unionism

The presence of union in the establishments does not in any way affect the hiring of agency workers. Data suggest that 81.9 percent of establishments with labor union reported the presence of agency workers in their workforce as against establishments without union with only 57.1 percent.

Unionized establishments also hired more number of agency workers - an average of 48 per establishment, as compared to only 15 for non-unionized establishments.

**TABLE 4 - CHARACTERISTICS OF ESTABLISHMENTS WITH AGENCY-HIRED WORKERS BY EMPLOYMENT SIZE, OWNERSHIP, MARKET TYPE AND UNIONISM
PHILIPPINES: JUNE 2003**

Indicator	Number of Establishment	Establishments with Agency-Hired Workers		
		Number	Percent Share (%)	Average Number of Agency-Hired Workers
TOTAL	24,533	14,920	60.8	21
Employment Size				
20 to 99 Workers	19,839	11,310	57.0	10
100 to 199 Workers	2,295	1,770	77.1	31
200 Workers or more	2,399	1,840	76.7	84
Ownership				
Wholly Filipino	21,116	12,473	59.1	17
With Foreign Equity*	3,417	2,447	71.6	44
Market Type				
Wholly Domestic	20,384	11,890	58.3	16
With Export**	4,149	3,030	73.0	42
Unionism				
With Union	3,640	2,980	81.9	48
Without Union	20,893	11,939	57.1	15

* Includes establishments wholly or partly foreign-owned.

** Includes establishments wholly or partly exporting its product in the world market.

Source: Bureau of Labor and Employment Statistics, 2002/2003 BLES Integrated Survey.

FOR INQUIRIES:

Regarding this report contact **EMPLOYMENT AND MANPOWER STATISTICS DIVISION** at 527-34-19/5279324

Regarding other statistics and technical services contact **BLES DATABANK** at 527-35-77

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

FAX 527-93-24 E mail: emspd@manila-online.net or blesemspd@bles.dole.gov.ph

Or visit our website at <http://www.manila-online.net/bles> or <http://www.bles.dole.gov.ph>