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STATISTICS ON OUTPUT-RATED WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS WITH 20 OR MORE WORKERS: 2003

(Sixth of a series on employment)

This LABSTAT is the sixth issue on a series of reports that focus on employment by type of workers based on the results of 2002/2003 Integrated survey (BITS) conducted in 2003 in coordination with DOLE Regional Offices. The BITS is a nationwide survey covering 6,818 sample non-agricultural establishments employing 20 or more workers. It aims to provide integrated data sets on employment, labor relations, labor cost and occupational safety at the workplace as basis for policy planning and program formulation.

OVERVIEW

Most workers are employees of organizations for which they carry out their assignments. Nearly all also have an established schedule for reporting for work and payment of wages. There always have been exceptions, as there are workers in alternative arrangements whose employment deviates from the standard full-time protected regular wage and salary employment.

The Philippine Labor Code has specific provisions for the employment of workers in alternative working arrangements. One such group is **output-rated workers** whose payments are based on results. Under Chapter II Article 101, the Secretary of Labor shall regulate the payment of wages by results, including pakyao, piecework and other non-time work, in order to ensure the payment of fair reasonable wage rates, preferably

through time and motion studies or in consultation with representatives of workers and employers organizations.

One of the information which can be obtained from the 2002/2003 BITS is on workers under different types of working arrangements. This report discusses the survey findings on output-rated workers. It presents statistics on their employment by industry groups, size of employment and the various types of output-rated workers employed by the establishments.

Definition of Terms

The 2002/2003 BITS defined **output-rated workers** to include the following:

Piece-rate workers – workers who are paid on the basis of the number of units produced.

Production standard (quota) workers – workers whose performance is measured based on an imposed minimum amount or quantity of production for a given period, usually eight (8) hours.

“Pakyao” or “takay” workers – workers whose job or work to be performed is in bulk or volumes which are difficult to quantify.

Task workers – workers who are paid for performing specific work irrespective of time consumed.

SURVEY HIGHLIGHTS

Output-rated workers comprised only a small fraction (2.4 % or 71,000) of the 2.919 million total persons engaged by establishments covered in this survey. The bulk of the workforce (85.6% or 2.500 million) were time-rated workers either employed on full-time or part-time basis.

Type of Worker	Employment	
	Number	%
Total Persons Engaged	2,919,100	100.0
Establishments employment	2,602,700	89.2
<i>Working owners/unpaid workers</i>	20,700	0.7
<i>Paid Employees</i>	2,582,000	88.5
- <i>Time-Rate Workers</i>	2,499,500	85.6
<i>Full-time</i>	2,433,800	83.4
<i>Part-time</i>	65,700	2.2
- <i>Output-Rated Workers</i>	71,000	2.4
- <i>Purely on commission with employer control</i>	11,500	0.4
Agency-Hired Workers	316,400	10.8

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

Industry

The great majority (77.9% or 55,300) of output-rated workers were employed in establishments engaged

in manufacturing, mostly in garments (22,000), food products (16,400), furniture (4,000) and non-metallic mineral products (3,500).

The rest were spread thinly across industries, mainly in wholesale and retail trade (7.7% or 5,500) and transport, storage and communications (5.4% or 3,800).

Size of Employment

Nearly one-half (46.2% or 32,800) of the output-rated workers were employed in large-sized establishments with 200 workers and over. An equally large number (42.5% or 30,200) was also reported in small-sized establishments with 20 to 99 workers. Interestingly, only a small proportion of output-rated workers were employed in medium-sized establishments (11.3% or 8,000)

Industry/Employment Size	Number	%
Output-Rated Workers	71,000	100.0
Industry		
Manufacturing	55,300	77.9
- Food Products	16,400	23.1
- Wearing Apparel	22,000	31.0
- Non-Metallic Mineral Products	3,500	4.9
- Furniture	4,000	5.6
- Others	9,400	13.2
Construction	1,600	2.3
Wholesale and Retail Trade	5,500	7.7
Transport, Storage and Communications	3,800	5.4
Other Community, Social & Personal Services	2,200	3.1
Industries Not Elsewhere Classified	2,600	3.7
Size of Employment		
20 to 99 Workers	30,200	42.5
100 to 199 Workers	8,000	11.3
200 Workers and Over	32,800	46.2

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

Type of Worker

The large majority (72.5% or 51,500) of output-rated workers were paid on **piece-rate basis**. The manufacturing sector was the biggest employer absorbing 87.4 percent (45,000) of total piece-rate workers mostly involved in the production of wearing apparel (21,000) and food products (10,600).

"Pakyao" or "takay" workers ranked second in importance with a share of 13.4 percent or 9,500. They were engaged largely in the manufacture of food products (46.3% or 4,400).

"Task" workers comprised 10.8 percent of total output-rated workers or 7,700 workers. They were observed to be most common in three industries, namely: other community, social and personal services (27.3% or 2,100), manufacturing (24.7% or 1,900), and transportation, storage and communication (16.9% or 1,300).

Quota Workers

Quota workers accounted for the smallest share of total output-rated workers at only 3.2 percent or 2,300 workers. These workers were observed most significant in manufacturing sector (73.9% or 1,700) mostly in wearing apparel.

TABLE 3 - EMPLOYMENT OF OUTPUT-RATED WORKERS IN NON-AGRICULTURAL ESTABLISHMENTS WITH 20 OR MORE WORKERS BY MAJOR INDUSTRY GROUP AND TYPE OF WORKER, PHILIPPINES: JUNE 2003

Industry	Number of Output-Rated Workers	Type of Output-Rated Workers							
		Piece-Rate Worker		"Pakyao" or "Takay" Worker		Task Worker		Quota Worker	
		No.	%	No.	%	No.	%	No.	%
ALL INDUSTRIES	71,000	51,500	100.0	9,500	100.0	7,700	100.0	2,300	100.0
Manufacturing	55,300	45,000	87.4	6,700	70.5	1,900	24.7	1,700	73.9
- Food Products	16,400	10,600	20.6	4,400	46.3	1,200	15.6	*	*
- Wearing Apparel	22,000	21,000	40.8	*	5.3	*	*	800	34.8
- Non-Metallic Mineral Products	3,500	2,800	5.4	*	*	600	7.8	*	*
- Furniture	4,000	3,200	6.2	700	7.4	*	*	0	0
- Others	9,400	7,400	14.4	1,100	11.6	*	*	*	*
Construction	1,600	*	*	*	*	700	9.1	700	30.4
Wholesale and Retail Trade	5,540	3,400	6.6	1,700	17.9	*	*	*	*
Transport, Storage and Communication	3,800	1,800	3.5	*	*	1,300	16.9	*	*
Other Community, Social and Personal Services	2,200	*	*	*	*	2,100	27.3	0	0
Industries Not Elsewhere Classified	2,600	700	1.4	*	*	1,700	22.1	*	*

* Less than 500 workers.

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