



Non-Economic Provisions of Collective Bargaining Agreements in 2017 (Third of a Three-Part Series)

The registration of Collective Bargaining Agreements (CBAs) is closely monitored as an indicator of a harmonious labor-management relations and industrial peace in the country. A collective bargaining is a process where both parties, labor and management, agrees to fix and administer terms and conditions of employment which must not be below the minimum standards fixed by law. This also sets a mechanism for resolving the parties' grievances.

Specifically, a CBA is a contract executed upon incorporating the agreements reached after negotiations with the employer and the exclusive bargaining representative of the employees with respect to wages, hours of work and all other terms and conditions of employment. As such, a CBA includes economic provisions and non-economic provisions. Economic provisions include monetary value of wage increases, loan benefits, bonuses, allowances, retirement plan, and other fringe benefits for the employees. On the other hand, non-economic provisions include union security clauses, grievance procedures, labor-management cooperation schemes, and other provisions without monetary value.

This three-part series of LABSTAT Updates presents administrative-based data on CBAs gathered from the CBA documents filed by labor organizations at the Bureau of Labor Relations (BLR) of the Department of Labor and Employment (DOLE). This last part of a three-part series on CBAs specifically highlights the non-economic provisions of CBAs registered in 2017.

Almost all of the registered CBAs have non-economic clauses

- Out of 284 CBAs registered, almost all (97.9%) CBAs stipulated non-economic clauses which cover the following: union security; job security; union employees' privileges; well-being/health programs; leave benefits; supplemental benefits; grievance machinery; and labor-management cooperation schemes.

Union Security Clause

Nine out of every ten CBAs specified union security clauses

- Union security aimed to protect the institutional life of the unions. In 2017, almost all CBAs (94.7%) stipulated union security clauses to the covered employees. (Table 1)
- Of these clause, union dues checkoff was mentioned in most CBAs (86.6%). Checkoff is an arrangement by a union with the employer for union dues to be deducted regularly from the members'

salaries wherein the sum collected is remitted to the union by check.

- Other checkoffs deducted include agency fees (64.4%) for non-union members, and special assessment fees (60.2%).

Table 1 - Number and Percent Share of CBAs by Union Security Clause, Philippines: 2017

Type of Union Security Clause	Number of CBAs	Percent Share
TOTAL REGISTERED CBAs	284	100.0
CBAs with Union Security Clauses	269	94.7
Check-off:		
<i>Union dues</i>	246	86.6
<i>Agency fees</i>	183	64.4
<i>Special assessment fees</i>	171	60.2
Management right/prerogative	196	69.0
Maintenance of membership	137	48.2
Union right/responsibility	108	38.0

Notes: Details may not add up to totals due to multiple responses.
Source: Department of Labor and Employment,
Bureau of Labor Relations



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- About 7 out of 10 CBAs (69.0%) upheld management right and prerogative. It is where employers have the freedom and prerogative, according to their discretion and best judgment, to regulate and control all aspects of management and operations in their business organization without discussions with a union.
- Another union security clause provided in about 1 out of every 2 CBAs (48.2%) is the maintenance of union membership. In this CBA provision, employees who are members of the union must maintain their membership for the duration of the agreement for continued employment in the organization.
- Union right/responsibility was still asserted in about 3 out of 8 CBAs (38.0%). This refers to the rights of workers to self-organization and collective bargaining.
- In terms of CBAs with provision for non-discriminatory filling-up of vacancies, 5 out of 9 CBAs (55.6%) affirmed that vacant positions will be filled-up through promotion of the existing employees.
- Further, 1 out of 3 CBAs (32.0%) allowed assignment or transfer of employees within the company. Meanwhile the arrangement where immediate family member of a retired employee will be prioritized in hiring of new employees was imposed by 2 out of 7 CBAs (29.2%).

Table 2 - Number and Percent Share of CBAs by Type of Job Security Clause, Philippines: 2017

Type of Job Security Clause	Number of CBAs	Percent Share
TOTAL REGISTERED CBAs	284	100.0
Just dismissal/Lay-off of workers	147	51.8
Policy on lay-off	125	44.0
Non-discriminatory filling-up of vacancies through:		
Promotion	158	55.6
Assignment/Transfer of employees	91	32.0
Hiring of next-of-kin of retired employees	83	29.2
Rehire/Recall of dismissed employees	45	15.8
Union referral	1	0.4
Provide Skills Training	23	8.1

Notes: Details may not add up to totals due to multiple responses.
Source: Department of Labor and Employment, Bureau of Labor Relations

Job Security Clause

More than half (51.8%) of the CBAs included policy on lay-off of workers

- Provisions under job security aimed to assure that employees will have continuity in employment in terms of a contract of employment, collective bargaining agreement, or labor legislation that prevents arbitrary termination.
- While security of tenure is one of the rights of workers under the law, still more than half (51.8%) of CBAs registered in 2017 stipulated just dismissal/lay-off of workers. This translates that termination of employment by the employer may be done only upon the existence of a just or an authorized cause and after observance of due process. (Table 2)
- The policy on lay-off was also specified in 4 out of every 9 registered CBAs (44.0%).
- Rehire or recall of previously dismissed employee was likewise agreed upon by 15.8 percent of CBAs during the reference year.
- Very few CBAs (8.1%) specified the provision of skills training to employees to further improve, enhance, and upgrade their capabilities to do their jobs effectively.

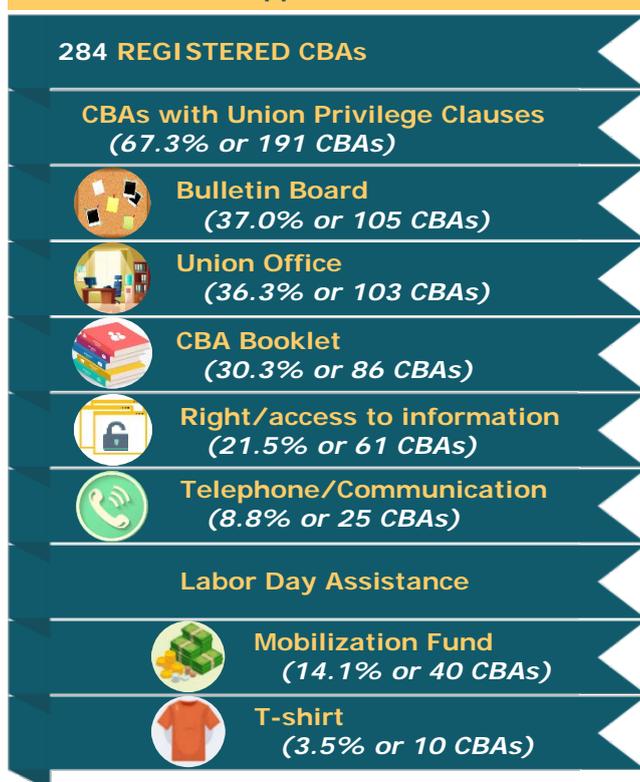
Union Privilege Clause

Two out of three CBAs provided union privileges

- Majority or 191 CBAs (67.3%) of the registered CBAs have clauses on union privilege. (Figure 1)

- In support for the union, 3 out of 8 CBAs (37.0%) provide bulletin board to be used for posting announcements and disseminating information to the union members.
- Provision of union office to facilitate/conduct union-related meetings/activities was granted in 1 out of every 3 CBAs (36.3%), as well as provision of CBA booklets at company's expense (30.3%).

Figure 1 - Number and Percent Share of CBAs by Type of Union Privilege Clause, Philippines: 2017



Note: Details may not add up to totals due to multiple responses.
 Source: Department of Labor and Employment, Bureau of Labor Relations

- A little over of one-fifths of the CBAs (21.5%) granted the right/access to company's information. In addition, few CBAs (8.8%) provided the use of telephone and other communication facilities to unions.
- Some CBAs included assistance to union during Labor Day celebration. Commonly provided were mobilization fund (14.1% or 40 CBAs) and t-shirts to union members (3.5% or 10 CBAs).

Well-being/Health and Safety Program Clause

Family planning program/services, most common welfare program

- As part of the well-being among the employees, family planning was the topmost welfare program mentioned in 2 out of every 3 CBAs (67.6%). (Figure 2)
- Less than two-fifths of total CBAs included life/accident/disability insurance (37.7%), and recreational activities/facilities (32.7%) in their agreement.
- Other well-being and health and safety programs stipulated in less than 20 percent of the registered CBAs includes health and safety facilities (19.7%), health and safety equipment (15.5%) and drug-free workplace (15.1%). Moreover, very few specified health and safety committee and had recreational activities fund wherein both recorded a 13.4 percent share.

Figure 2 - Percent Share of CBAs by Type of Well-being/Health and Safety Program Clause, Philippines: 2017



Note: Details may not add up to totals due to multiple responses.
 Source: Department of Labor and Employment, Bureau of Labor Relations

Leave Benefit Clause

Vacation leave stated in six out of seven CBAs

- CBA provisions on leave benefits were either fixed at 15 days per year or graduated according to the length of service of the employee.
- The most common leave benefit which was granted to the workers covered by the agreements in about 6 out of every 7 CBAs were vacation leave (84.9%) and sick leave (82.0%). (Table 3)

Table 3 - Number and Percent Share of CBAs by Leave Benefit Clause, Philippines: 2017		
Type of Leave Benefit Clause	Number of CBAs	Percent Share
TOTAL REGISTERED CBAs	284	100.0
Vacation Leave	241	84.9
Sick Leave	233	82.0
Union Leave	182	64.1
Burial/Bereavement Leave	114	40.1
Emergency Leave	104	36.6
Birthday Leave	55	19.4
Time-off	14	4.9
Pulmonary/Tuberculosis Leave	12	4.2
Paid Leave	11	3.9
Study Leave	11	3.9
Service incentive Leave	10	3.5
Calamity Leave	8	2.8
Wedding Leave	5	1.8
Legal/Court Leave	4	1.4
Personal Leave	2	0.7
Military Training Leave	1	0.4
Other leave benefits	65	22.9

Note: Details may not add up to totals due to multiple responses.
 Source: Department of Labor and Employment, Bureau of Labor Relations

- Other leave benefits negotiated includes union leave provided to either union officers or member which was in 7 out of every 11 CBAs (64.1%). Other types were burial/bereavement leave (40.1% or 114 CBAs); emergency leave (36.6% or 104 CBAs); birthday leave (19.4% or 55 CBAs) and the rest of the leave benefits account for less than 5 percent of total CBAs registered.

Productivity Enhancement Program Clause

More than half (58.8%) of the CBAs reported Labor Management Cooperation (LMC)

- In terms of productivity enhancement programs stipulated in CBAs registered in 2017, the creation of labor management cooperation were the most stipulated program among (58.8% or 167) CBAs. These types of productivity enhancement programs were designed to improve efficiency and labor management relations at the workplace. (Figure 3)



Note: Details may not add up to totals due to multiple responses.
 Source: Department of Labor and Employment, Bureau of Labor Relations

- Another negotiated program involves industrial peace/productivity council which was incorporated in 3 out of every 8 (38.0% or 108) registered CBAs. Job enrichment clause was also contained in 59 CBAs (20.8%).
- Other programs cited in the covered CBAs were reduction of monotony at work (11.6% or 33 CBAs) and merit increase (10.2% or 29 CBAs).

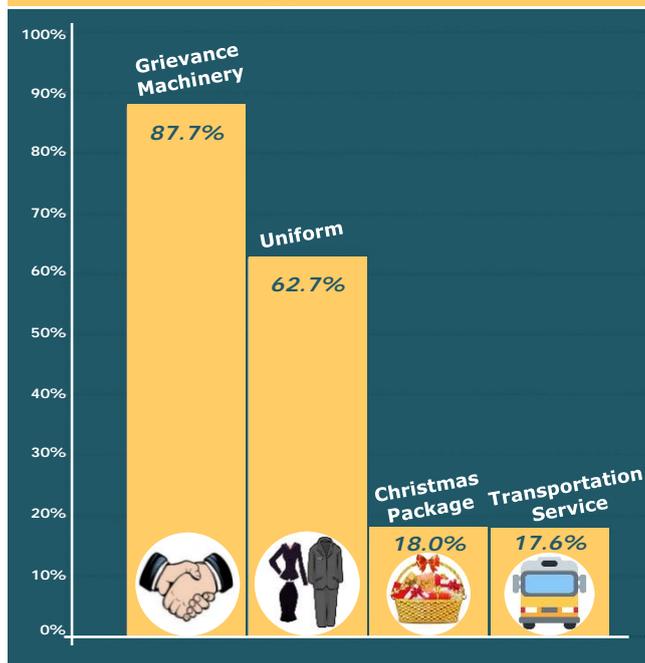
Supplementary Benefits/Clause

Seven out of eight CBAs have grievance machinery clauses

- In order to secure a lasting industrial peace, the Department of Labor and Employment actively promotes the creation of labor-management councils and the inclusion of grievance machinery in the CBA.

- Grievance machinery was established in about 7 out of every 8 CBAs (87.7% or 249) during the reference year. This serves as a forum where employers and employees may ventilate their respective concerns to resolve conflict in an expeditious manner. (Figure 4)
- Other supplementary benefits/clause that were common in the registered CBAs were: uniform (62.7% or 178), Christmas package (18.0% or 51), and transportation service (17.6% or 50).

Figure 4 - Percent Share of CBAs by Type of Supplementary Benefits/Clause, Philippines: 2017



Note: Details may not add up to totals due to multiple responses.
 Source: Department of Labor and Employment, Bureau of Labor Relations

FOR INQUIRIES

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