

Non-Economic Provisions of Collective Bargaining Agreements in 2012 (Second of a three-part series)

Collective bargaining is a process where the parties agree to fix and administer terms and conditions of employment which must not be below the minimum standards fixed by law, and set a mechanism for resolving the parties' grievances.

Collective Bargaining Agreement (CBA) is a contract executed upon request of either the employer or the exclusive bargaining representative of the employees incorporating the agreement reached after negotiations with respect to wages, hours of work and all other terms and conditions of employment. Thus, it includes economic provisions (monetary value of wage increases, loan benefits, bonuses, allowances, retirement plan, and other fringe benefits) and non-economic clauses (union security clauses, grievance procedures, labor-management cooperation schemes, and other stipulations without monetary value). Registration of CBAs is closely monitored to promote harmonious labor-management relations and industrial peace in the country.

This three-part series of LABSTAT Updates focus on the statistics of CBAs gathered from the documents filed at the Department of Labor and Employment (DOLE) - Bureau of Labor Relations (BLR). Specifically, this issue provides a descriptive analysis of the non-economic provisions of the CBAs registered in 2012.

Almost all CBAs (98.6% or 277 CBAs) of the 281 CBAs registered in 2012 contained non-economic provisions or stipulations.

- These non-economic clauses usually cover union and job security, union privileges, grievance machinery, well-being and health promotion programs, leave and health care benefits, retirement and other supplemental benefits.
- On union security clauses, majority of the CBAs had check-off clauses which allow employers to make deductions from the employees' pay slips; the most common of which, was union dues check-off

(82.2% or 231 CBAs followed by special assessment fees (61.9%) and agency fees (55.5%).

TABLE 1 - Number and Percent Share of CBAs by Union Security Clause, Philippines: 2012

Union Security Clause	Number of CBAs	Percent Share
Check-off		
Union dues	231	82.2
Special assessment fees	174	61.9
Agency fees	156	55.5
Maintenance of membership	241	85.8
Management right/prerogative	214	76.2
Union right/responsibility	131	46.6

Source of data: Bureau of Labor Relations.

*With contributions from Ms. Cheryl Nikka Z. Gupilan and Ms. Fhaye Beatriz P. Santos, B.S. Statistics, University of the Philippines Los Baños.

- About 6 out of every 7 CBAs (85.8%) had provisions on maintenance of union membership. This stipulates that employees have to be of good standing union member for continued employment in the company. (Table 1)
- Approximately three-fourths had union security clause on management right/prerogative (76.2%). This gives employers the sole and exclusive right to exercise the functions and prerogatives in the management and operation of the business of the company.
- Union right/responsibility clause was likewise stipulated in less than half (46.6%) of the registered CBAs. While this provision put emphasis on the right of the workers to self-organization and collective bargaining; it likewise stressed the responsibility of the workers to do their duties and responsibilities with due diligence, loyalty and efficiency.

Security and tenure of employment of the workers were guaranteed in 7 out of every 9 CBAs (77.9%)

- It stipulated that the termination of employment by the employer may be done only on just or reasonable cause and after observance of due process.
- Likewise included in job security clauses was the non-discriminatory filling-up of vacancies. Notably, nearly three-fifths (59.4%) stipulated for the assignment/transfer of employees within the establishment. (Table 2)
- More than half on the other hand, specified the promotion of existing

employees (56.2%) while less than one-third (31.0%) had provisions that gave priority in the hiring of immediate relative of retired employees provided he/she is qualified for the job/position.

- An arrangement for the rehire/recall of previously dismissed employees to fill-up vacancies was stipulated in 1 out of every 8 CBAs (12.8%).

TABLE 2 - Number and Percent Share of CBAs by Job Security Clause, Philippines: 2012

Job Security Clauses	Number of CBAs	Percent Share
Just dismissal/Lay-off of workers	219	77.9
Non-discriminatory filling-up of vacancies through:		
<i>Assignment/Transfer of employees</i>	167	59.4
<i>Promotion</i>	158	56.2
<i>Hiring of next of kin of retired employees</i>	87	31.0
<i>Rehire/Recall of dismissed employees</i>	36	12.8
<i>Union referral</i>	8	2.8
Policy on lay-off	119	42.3
Provision of skills training	70	24.9

Source of data: Bureau of Labor Relations.

- About 3 out of every 7 CBAs (42.3%) had stipulations on the lay-off of workers in cases of merger, sale, consolidation, dissolution, technological changes, business decline, recession, poor market, and other factors beyond employers' control.
- Meanwhile, 1 out of every 4 CBAs (24.9%) had provisions for skills training of employees to enhance/upgrade their capabilities to do jobs effectively particularly with the implementation of new systems and technologies.

About 7 out of every 10 CBAs (69.8%) granted union leave for union officers/members to attend union related matters/meetings/seminars held outside the establishment's premises

- Some CBAs contained provisions which allow union access to some facilities within the premises of the company. About 3 out of every 8 allowed the use of bulletin boards for posting of union's announcements/notices (38.4%) and space for the union office (37.0%). The use of telephone was granted only in 1 out of 15 CBAs (6.8%). (Table 3)

TABLE 3 - Number and Percent Share of CBAs by Union Privilege Clause, Philippines: 2012

Union Privilege Clauses	Number of CBAs	Percent Share
Union leave	196	69.8
Use of facilities		
<i>Bulletin board</i>	108	38.4
<i>Union office</i>	104	37.0
<i>Telephone</i>	19	6.8
CBA booklet	87	31.0
Right/Access to information	71	25.3
Labor Day assistance		
<i>Mobilization fund</i>	36	12.8
<i>T-shirt</i>	18	6.4

Source of data: Bureau of Labor Relations.

- The management agreed to provide assistance in the reproduction of CBA booklets in 3 out of every 10 CBAs (31.0%). Union access to company information was noted in 1 out of every 4 CBAs (25.3%).
- Some CBAs included assistance to union during the Labor Day celebration. Commonly provided were mobilization fund (12.8%) and T-shirts to union members (6.4%).

Grievance machinery was institutionalized in 9 out of every 10 CBAs (261 or 92.9%)

- This is to serve as forum for employers and employees to settle disputes on CBA implementation and personnel concerns of the company.

Only 4 out of every 9 CBAs (43.8%) provided life/accident insurance to their employees

- Nearly two-thirds of the CBAs included family planning seminars (64.8%) under the health and well-being program for employees. More than half (54.1%) stipulated for the conduct of health and safety awareness seminars. (Table 4)

TABLE 4 - Number and Percent Share of CBAs by Well-Being/Health Program Provided, Philippines: 2012

Well-Being/Health Promotion Program	Number of CBAs	Percent Share
Family planning seminars	182	64.8
Health and safety awareness	152	54.1
Life/Accident insurance	123	43.8

Source of data: Bureau of Labor Relations.

Of the 281 registered CBAs, almost half stipulated grants on hospitalization assistance (45.9%) and dental services (45.6%)

- Various health care benefits were stipulated in the 281 registered CBAs. Of which, the same proportion granted hospitalization assistance (45.9%) and dental services (45.6%). (Table 5)
- About 2 out of every 5 CBAs provided annual physical examination (40.9%) while one-third (33.5%) opted for reimbursement of medical expenses.

- A lesser proportion included medicine allowance (18.1%); optical assistance (13.5%) and health fund (5.0%).

TABLE 5 - Number and Percent Share of CBAs by Health Care Benefits Provided, Philippines: 2012

Health Care Benefits	Number of CBAs	Percent Share
Hospitalization assistance	129	45.9
Dental services	128	45.6
Annual physical examination	115	40.9
Medical reimbursement	94	33.5
Medicine allowance	51	18.1
Optical assistance	38	13.5
Health fund	14	5.0

Source of data: Bureau of Labor Relations.

Top leave benefits enjoyed by workers in majority of the CBAs were vacation leave (89.7%), sick leave (85.1%) and union leave (69.8%)

- On top of the mandatory leave benefits provided by law (e.g., maternity leave, paternity leave, solo parent leave and incentive leave) some CBAs had negotiated for other leave benefits.
- Other leave benefits negotiated were emergency leave (42.7%), burial/bereavement leave (38.8%) and birthday leave (21.4%). (Table 6)

TABLE 6 - Number and Percent Share of CBAs by Leave Benefits Provided, Philippines: 2012

Leave Benefits	Number of CBAs	Percent Share
Vacation leave	252	89.7
Sick leave	239	85.1
Union leave	196	69.8
Emergency leave	120	42.7
Burial/Bereavement leave	109	38.8
Birthday leave	60	21.4
Time-off	28	10.0
Study leave	22	7.8
Calamity leave	11	3.9
Pulmonary/Tuberculosis leave	6	2.1
Wedding leave	6	2.1
Personal leave	4	1.4
Military training leave	2	0.7
Legal/Court leave	1	0.4

Source of data: Bureau of Labor Relations.

3 out of every 7 CBAs (42.7%) had provisions on the separation/severance pay of the workers

- Retirement benefits were stipulated in almost two-thirds (65.1%) of the total registered CBAs. (Table 7)
- One out of every 8 CBAs (12.5%) included benefits to employees who voluntarily resigned.

TABLE 7 - Number and Percent Share of CBAs by Retirement/Termination Benefits Provided, Philippines: 2012

Retirement/Termination Benefits	Number of CBAs	Percent Share
Retirement Benefits	183	65.1
Separation/ Severance Pay	120	42.7
Voluntary Resignation Pay	35	12.5

Source of data: Bureau of Labor Relations.

The most common supplemental benefit was uniform/clothing allowance which was provided in 7 out of every 10 CBAs (70.8%)

- Service/ loyalty/ award/ longevity pay was far behind with less than one-fourth (22.4%). Only 1 out of every 6 CBAs (16.4%) stipulated for Christmas package to employees. Less than 10.0% granted Cost of Living Allowance (COLA). (Table 8)

TABLE 8 - Number and Percent Share of CBAs With Provisions on Supplemental Benefits, Philippines: 2012

Supplemental Benefits	Number of CBAs	Percent Share
Uniform/Clothing allowance	199	70.8
Service/Loyalty Award/ Longevity pay	63	22.4
Christmas package	46	16.4
Cost of Living Allowance (COLA)	16	5.7

Source of data: Bureau of Labor Relations.

FOR INQUIRIES

Regarding this report contact **LABOR RELATIONS STATISTICS DIVISION** at 527-3000 local 319
 Regarding other statistics and technical services contact **BLES DATABANK** at TELEFAX: 527-9311
 Or Write to BLES c/o **Databank**, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002
 FAX 527-55-06 E-mail: bles_lrsd@dole.gov.ph Website at <http://www.bles.dole.gov.ph>
