

Non-Economic Provisions of Collective Bargaining Agreements in 2008 (Last of three-part series)*

The Philippine Labor Code recognizes the importance of collective bargaining in the promotion and maintenance of industrial peace and in the attainment of stable employment relations. Essentially, collective bargaining involves two parties: 1) the representative of the employer; and 2) a union duly authorized by the majority of the employees within a bargaining unit called **exclusive bargaining agent**. It is a process where the parties agree to fix and administer the terms and conditions of employment and to set a mechanism for resolving grievances.

The end result of the collective bargaining process is a contract called the **collective bargaining agreement (CBA)**. A CBA generally contains economic and non-economic provisions. Economic provisions refer to those clauses on the terms and conditions of employment with monetary value, e.g., wage increases, allowances, bonuses, longevity pay, insurance, separation pay, monetary assistance, death aid, funeral assistance, leave benefits, retirement plan and other fringe benefits. The non-economic provisions, on the other hand, include union security clauses, grievance procedures, labor-management cooperation schemes among others. The economic provisions have a term of five (5) years but may be renegotiated before the end of the third year of the effectivity of the CBA.

The three series of LABSTAT Updates focus on the statistics on CBAs gathered from the CBA documents filed at the Bureau of Labor Relations. Specifically, this last issue of the three-part series on CBAs provides a descriptive analysis on the non-economic provisions of the CBAs registered in 2008.

Union Security

Out of the 344 CBAs registered in 2008, 323 CBAs (93.9%) stipulated union security clauses. Of these, 9 out of every 10 CBAs (90.4%) upheld management right/prerogative. As such, subject to limitations imposed by law, employers have the freedom and prerogative, according to their discretion and best judgment, to regulate and control all aspects of employment in their business organizations.

Although the right of workers to self-organization and collective bargaining, among others, are guaranteed by the Constitution, union right/responsibility was still emphasized in 8 out of 10 CBAs (81.1%).

Another union security clause provided in 2 out of every 3 CBAs (64.7%) is the maintenance of membership. It is a stipulation in the CBA whereby the management recognizes that the membership of employees in the union which negotiated said agreement should be maintained and continued as a condition for employment or retention of employment.

Management right/prerogative	90.4%
Union right/responsibility	81.1%
Maintenance of membership	64.7%
Check-off	
<i>Union dues</i>	80.5%
<i>Agency fees</i>	70.3%
<i>Special assessment</i>	68.7%

* With contributions from Neale Marvin C. Paguirigan, BS Statistics, University of the Philippines Los Baños.

A similarly large proportion of registered CBAs also contained stipulations on check-off of union dues (80.5%); agency fees (70.3%); and special assessment fees (68.7%). This check-off provision allows management to make payroll deductions from workers' salaries, i.e., union dues for union members; agency fees for non-members; and other special assessment fees, to be remitted by the employer to the union.

Job Security

While security of tenure is also a guaranteed right of workers under the Constitution, still more than half (53.5%) of registered CBAs in 2008 stipulated 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.

Just dismissal/Lay-off of workers	53.5%
Policy on lay-off	49.4%
Non-discriminatory filling-up of vacancies through:	
<i>Promotion</i>	54.4%
<i>Assignment/Transfer</i>	36.9%
<i>Hiring of next kin of retired employees</i>	22.4%
<i>Rehire/Recall of dismissed employees</i>	19.5%
<i>Reference on hiring</i>	4.1%
Provision of skills training	30.8%

The policy on lay-off was provided for in almost half (49.4%) of registered CBAs.

Of the CBAs with provisions for non-discriminatory filling-up of vacancies, about 5 out of every 9 CBAs (54.4%) declared that vacancies will be filled-up through promotion of existing employees, while 2 out of every 5 CBAs (36.9%) allowed the assignment or transfer of employees within the establishment.

The arrangement where immediate relatives of retired employees will be prioritized in the hiring of new employees was agreed upon in 1 out of every 5 CBAs (22.4%). An almost similar proportion of CBAs (19.5%) stipulated for the rehiring or

recalling of previously dismissed employees in case job vacancy occurs.

Notably, 3 out of every 10 CBAs (30.8%) specified the provision of skills training to employees to further enhance their capabilities for the job as a result of the adoption and institution of new systems and installation of machines.

Union Privileges

Six out of every 10 CBAs (60.5%) provided union leave for union officers as one of the privileges and benefits granted to unions by management.

Another union privilege is the assistance during Labor Day celebration with 6 out of every 10 CBAs provided for mobilization funds (61.4%) and provision of free t-shirts (50.0%) to union members.

One out of every 2 CBAs allowed the union to set-up a union office (50.0%) within the establishment's premises where officers and members can meet to discuss union-related matters. A lesser proportion of CBAs (48.3%) allowed the use of bulletin boards of the company for the posting of announcements and notices to union members.

Union leave	60.5%
Labor Day assistance	
<i>Mobilization fund</i>	61.4%
<i>T-shirt</i>	50.0%
Union office	50.0%
Bulletin board	48.3%
Right to information	42.4%
CBA booklet	41.1%
Printing of CBA	28.2%
Telephone/Communication facilities	4.7%

Three out of every 7 CBAs included provisions on the right to information of union (42.4%) and 41.1% of CBAs provided as well assistance in the reproduction of CBA booklets. However, only 28.2% of CBAs allowed for its printing.

However, only a small proportion of CBAs (4.7%) allowed unions to use

telephone and other communication facilities of the establishment.

Grievance Machinery

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

Grievance machinery is institutionalized in 9 out of every 10 CBAs in 2008. This grievance machinery serves as a forum where employers and employees may ventilate their respective concerns to resolve conflict in an expeditious manner.

Leave Benefits

Six out of every 7 CBAs provided for vacation leave (85.5%), while 5 out of every 7 CBAs granted sick leave (73.0%) benefits. CBA stipulations on leave benefits were either fixed at 15 days per year or graduated according to the length of service of the employee. Meanwhile, 3 out of every 5 CBAs (60.5%) granted union leave to union officers.

Vacation leave	85.5%
Sick leave	73.0%
Union leave	60.5%
Paternity leave	55.2%
Maternity leave	46.5%
Emergency leave	39.2%
Burial leave	25.9%
Birthday leave	15.1%
School/Study leave	3.5%
Wedding leave	3.2%
Honeymoon leave	0.6%
Anniversary leave	0.3%

Other leave benefits such as paternity leave (55.2%) and maternity leave (46.5%) were also included in the CBAs to enable married employees with children to attend to their parental responsibilities. Meanwhile, 2 out of every 5 establishments granted emergency leave (39.2%) to

employees to give them time for urgent family matters. Birthday leave is contained in 15.1% of the CBAs registered in 2008.

Health Care Benefits

Foremost health care benefits provided for in CBAs were dental services (51.7%) and hospitalization assistance (50.0%).

Other health care benefits granted to employees include: annual physical examination (39.8%); medicine allowance (15.4%); first-aid medicine (14.5%); medical reimbursement (11.3%); optical assistance (10.8%); and health fund (5.5%).

Dental services	51.7%
Hospitalization assistance	50.0%
Physical examination	39.8%
Medicine allowance	15.4%
First-Aid medicine	14.5%
Medical reimbursement	11.3%
Optical assistance	10.8%
Health fund	5.5%

Well-being/Health Promotion Program

More than half of the CBAs had provisions on the promotion of health and well-being of employees through health and safety awareness (57.3%) and family planning seminars (55.8%).

Two out of every 5 CBAs (40.4%) negotiated for the provision of life and accident insurance for its employees, while 3 out of every 10 CBAs (30.8%) ensured the provision of skills training to workers.

Health and safety awareness	57.3%
Family planning seminars	55.8%
Life/Accident insurance	40.4%
Skills training	30.8%
Workers' education	19.8%

Only a small proportion of CBAs (19.8%) had included workers education to

further enhance the aptitude of members towards their work responsibilities.

Terminal Benefits

Majority (55.2%) of the CBAs provided retirement benefits to union members. Under the Labor Code, an employee may retire upon reaching the retirement age established in the CBA or other applicable employment contract. Separation pay is contained in 2 out of every 5 CBAs (41.6%) registered during the year.

Retirement benefits	55.2%
Separation	41.6%
Voluntary resignation	14.8%
Severance	5.5%

Benefits for voluntary resignation and severance were likewise provided in some 14.8% and 5.5% of the CBAs, respectively.

Supplemental Benefits

The granting of uniform allowance/clothing was stipulated in 3 out of every 5 CBAs (61.6%), while Christmas package was provided for in 1 out of every 6 CBAs (17.2%) in 2008. Meanwhile, only 13.1% of the CBAs contained provisions on the giving of supplemental benefits to employees in the form of service/loyalty award and longevity pay (12.5%).

Only few CBAs provided for the granting of COLA to workers (8.7%).

Uniform allowance/Clothing	61.6%
Christmas package	17.2%
Service/Loyalty award	13.1%
Longevity pay	12.5%
Cost of Living Allowance (COLA)	8.7%

FOR INQUIRIES:

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