

CBA in 2004. . . their profile and welfare benefits

(Third of a three-part series)

The Labor Code encourages the execution of a collective bargaining agreement (CBA) between workers and employers to promote and maintain industrial peace and stable employment relations. CBA refers to a negotiated contract between a duly recognized or certified collective bargaining representative and an employer concerning wages, hours of work and other terms and condition of employment in the appropriate bargaining unit including provision for grievance machinery. It covers all regular employees of an appropriate bargaining unit who are not excluded by law or by express provision of the CBA.

CBA usually contains clauses on economic and non-economic benefits. The economic benefits include 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 include union security clauses, grievance procedure, labor-management cooperation schemes among others. Although the term of a CBA is five (5) years, its economic provisions can be re-negotiated on the third year after its execution.

Since 1997, the Bureau of Labor and Employment Statistics (BLES) has published studies on the profile of collective bargaining agreements (CBAs) specifically on its economic and non-economic provisions. CBAs covered in this study are based on actual documents available on file at the Bureau of Labor Relations. A total of 200 CBAs were randomly selected from a total of 369 CBAs registered in 2004.

This issue is the third of a three-part series on CBAs filed in 2004. It provides general information on non-economic provisions such as grievance handling procedures, hours of work, job security and other non-monetary benefits.

Grievance Handling Procedure

*A **grievance procedure** is a series of formal steps that both parties agreed to take in handling grievances or issues arising from the interpretation or implementation of the CBA or company policies. The nature of the procedure depends on the structure of the company and on the needs and desires of both parties. Small companies have short, simple grievance procedure, sometimes with only one or two steps. Whereas, large companies usually adopt multi-step procedures starting from a discussion of the grievance between the employee and/or the Union Steward on the one-hand and the foreman and supervisor on the other hand, and ending with the highest decision-making officials of the company, reflecting the hierarchy of command or responsibility.*

TABLE 1 – Number of CBAs by Number of Steps Involved in Grievance Procedure by Sector, Philippines: 2004

Sector	CBAs	Number of Steps Involved						
		1	2	3	4	5	6	Not Stated
TOTAL	200	6	37	66	62	17	4	8
Agriculture	13	-	4	4	4	1	-	-
Industry	115	5	21	41	34	9	2	3
Service	72	1	12	21	24	7	2	5

Source: Bureau of Labor Relations.

Of the total 200 CBAs in 2004, 128 or 64.0 percent adopt the three-step and four-step procedures in settling grievances. Some 37 or 18.5 percent CBAs favor the use of two-step procedure while 21 or 10.5 percent opt to use the multi-step procedures (5 and 6 steps). Only six CBAs (3.0%) adopt the one-step procedure in resolving grievances. Some eight CBAs have no provision for grievance handling

The use of three-step and four-step procedures are more popular among CBAs forged in the industry sector (41 and 34, respectively) and in the services sector (21 and 24, respectively). The industry sector includes manufacturing; electricity, gas and water supply; and construction while the services sector includes wholesale and retail trade; hotels and restaurants; transport, storage and communications; financial intermediation; real estate, renting and business services; education services; health and social work services; and other community, social and personal service activities

The two-step procedure is also favored by 21 CBAs (18.3%) contracted in the industry sector and in 12 CBAs of the services sector.

The two, three and four-step procedures (4 each) are adopted in CBAs in the agricultural sector.

Work Schedule

The Labor Code states that hours worked shall include a) all time during which an employee is required to be on duty or to be at a prescribed workplace; and b) all time during which an employee is permitted to work. The normal hours of work of any employee shall not exceed eight (8) hours a day.

TABLE 2 – Number of CBAs by Number of Work Hours Per Week by Sector, Philippines: 2004

Work Hours Per Week	No. of CBAs	Sector		
		Agriculture	Industry	Service
TOTAL	200	13	115	72
Less than 40	4	1	-	3
40	27	-	9	18
Over 40 but less than 48	8	-	2	6
48	158	12	103	43
Not Stated	3	-	1	2

Source: Bureau of Labor Relations.

About 8 out of 10 (79.0%) of the CBAs under review stipulated 48 hours a week work schedule. This is provided in 12 (92.3%), 103 (89.6%) and 43 (59.7%) CBAs in agriculture, industry and services sectors, respectively.

The 40 hours a week work schedule, on the other hand is stipulated in some 18 CBAs from the services sector and nine CBAs from the industry sector. Very few (4) provided for less than 40 hours work schedule in their CBAs i.e., educational institutions, radio broadcasting and transport services.

Job Security

Although the Labor Code stipulates that in case of regular employment, no employee shall be terminated from employment or shall be subjected to any disciplinary action except for a just cause and only after the required due process has been observed, still majority (76.0%) of the CBAs include provisions on job security.

TABLE 3 – Number of CBAs with Provisions on Job Security by Sector, Philippines: 2004

Job Security Provision	No. of CBAs	Sector		
		Agriculture	Industry	Service
TOTAL	200	13	115	72
Just dismissal/layoff of workers	152	8	91	53
Non-discriminatory filling-up of vacancies thru:				
- Transfer/promotion	152	8	91	53
- Employment of next of kin	71	4	43	24
- Rehire/recall of laid off workers	35	1	24	10
Provision of skills training	7	-	4	3

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

Job security clauses in most CBAs are the following: a) just dismissal/lay off of worker as a consequence of merger, poor market, financial losses, technological changes, sales, etc. Specifically, probationary or temporary employees are the first to be laid off; b) priority shall be given to present employees, either through lateral transfer or promotion on the basis of education, experience, demonstrated ability, integrity, loyalty and seniority; c) preference in the hiring of employees' qualified dependents, except if the employee is terminated for a cause; d) rehire or recall of previously laid off workers. The last to be laid off, shall be the first to be in; and d) provision of skills training/s to workers to minimize job displacements.

More than three-fourths (76.0%) of the 200 CBAs contain provisions on just dismissal or layoff of workers. The same number of CBAs (152) stipulate transfer/promotion in filling up vacant positions. On the other hand, some (71 CBAs (35.5%) provide for the employment of next of kin while only 35 CBAs (17.5%) have provisions on the rehire/recall of previously laid off workers. Merely seven (7) CBAs include the provision of skills training to employees.

Just dismissal/layoff of workers and filling up vacant positions through transfer/promotion are the most common job security provision among collective agreements forged in the agriculture (61.5%), industry (79.1%) and service (73.6%) sectors. The hiring of next of kin is also specified in four collective agreements of the agriculture sector, 43 CBAs (37.4%) of the industry sector, and 24 CBAs (33.3%) of the service sector. The rehire/recall of previously laid-off workers is also mentioned in only one CBA in the agriculture sector, in 24 CBAs and 10 CBAs of the industry sector and service sectors, respectively.

Provision of skills training is adopted in four CBAs of the industry sector but only in three CBAs in the service sector.

Other Non-Economic Provisions

Other non-monetary clauses incorporated in the 200 CBAs and their corresponding percent share are union

security (91.0%); provision of recreational activities (79.0%); family planning programs (72.0%); workers education (68.5%); institutionalization of labor-management councils (67.5%); programs to reduce monotony at work and job enrichment (53.5% each); and provision of safety mechanisms to workers (49.5%); and other miscellaneous non-economic provisions (3.5%) such as ecological and environmental programs and promotion of drug-free workplace. (Table 4)

Union security clause is the most favored CBA provision in all industries except electricity, gas and water wherein all of its four (4) collective agreements specify the provision of recreational activities. Aside from union security clause, majority of the CBAs in manufacturing include the following provisions: recreation activities (82.9%); family planning (79.0%); workers education (70.5%); labor management councils (69.5%); safety mechanisms (59.0%); and job enrichment (69.5%).

In the education industry, the institutionalization of LMCs and union security are given equal emphasis in their CBAs (7 each). Collective agreements in the agriculture, wholesale and retail trade, hotels and restaurants, transport and education industries consider programs for recreational activities, family planning and workers education as significant provisions in their CBAs.

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TABLE 4 – Number of CBAs with Other Non-Economic Provisions by Major Industry Group, Philippines: 2004

Major Industry	Total CBAs	Non-Economic Provisions								
		Union Security	Recreation Activities	Family Planning	Workers Education	Labor Management Councils	Reduce Monotony at Work	Job Enrichment	Safety Mechanism	Others
All Industries	200	182	158	144	137	135	107	107	99	7
Agriculture, Hunting and Forestry	13	13	11	9	10	8	7	7	5	-
Manufacturing	105	96	87	83	74	73	59	59	62	4
Electricity, Gas and Water Supply	4	3	4	3	3	3	3	3	2	-
Construction	6	6	4	3	2	2	2	2	2	-
Wholesale and Retail Trade	16	15	11	9	11	9	7	7	6	1
Hotel and Restaurants	9	9	7	4	6	6	5	5	4	-
Transport, Storage and Communications	20	16	15	12	13	12	12	12	10	-
Financial Intermediation	8	8	6	7	6	8	3	3	3	-
Real Estate, Renting and Business Activities	3	3	2	3	3	2	2	2	2	-
Education	10	7	6	6	4	7	3	3	2	1
Health and Social Work	1	1	1	1	1	1	1	1	-	-
Other Community, Social and Personal Service Activities	5	5	4	4	4	4	3	3	1	1

Note: Details may not add up to totals due to multiple responses.

Source: Bureau of Labor Relations.