

Non-Economic Provisions of Collective Bargaining Agreements in 2009 (Last of three-part series)*

The right of all workers to collective bargaining and negotiations is enshrined in the Constitution. This is echoed in the Labor Code by declaring it as a policy to promote and emphasize the primacy of free collective bargaining and negotiations, including voluntary arbitration, mediation and conciliation, as modes of settling labor or industrial disputes.

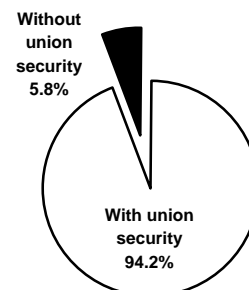
A Collective Bargaining Agreement (CBA) constitutes the law between the parties. It contains economic and non-economic provisions and representation aspect. The economic provisions refer to those clauses on the terms and conditions of employment with monetary value while the non-economic provisions are stipulations without monetary value and may include union security clauses, grievance procedures, labor-management cooperation schemes, among others. The representation aspect refers to the identity and majority status of the union that negotiated the CBA as the exclusive bargaining representative. A CBA has a life of five years for the representation aspect and not more than three years for all other provisions (economic and non-economic).

The three series of LABSTAT Updates focus on the statistics on CBAs gathered from the registration documents filed at the Bureau of Labor Relations. Specifically, this last issue of the three-part series on CBAs provides a descriptive analysis of the non-economic provisions stipulated in the CBAs registered in 2009.

Union Security

- About 94.2% (258 CBAs) of the 274 CBAs registered in 2009 contained union security clauses. Of these, 8 out of every 10 CBAs (79.6%) had provisions on management right/ prerogative. As such, employers have the sole and exclusive right to exercise the functions and prerogatives inherent in the management and operation of the business subject to the agreed limitations provided by law.
- Another union security clause common in CBAs was on maintenance of union membership. This provision which was noted in 5 out of every 8 CBAs (64.6%) stipulates that all employees who shall become members of the union shall

FIGURE 1 - Percent Distribution of CBAs With or Without Union Security Clause, Philippines: 2009



maintain their membership in good standing as a condition of continued employment in the company.

*With contributions from Mary Ann B. Rada, B.S. Statistics, University of the Philippines Los Baños.

- More than half of the CBAs (54.0%) also included clauses on union right/responsibility. This provision primarily emphasizes the right of workers to self-organization and collective bargaining, and enjoin workers as well, to render and perform their duties and responsibilities with due diligence, loyalty and efficiency.

Management right/prerogative	79.6%
Maintenance of membership	64.6%
Union right/responsibility	54.0%
Check-off	
<i>Union dues</i>	80.3%
<i>Special assessment</i>	77.7%
<i>Agency fees</i>	65.0%

- A considerable proportion of registered CBAs included clauses on check-off of union dues (80.3%), special assessment fees (77.7%) and agency fees (65.0%). This allows management to make payroll deductions from workers' salaries which in turn are remitted to the union.

Job Security

- Although security of tenure is a guaranteed right of workers under the Constitution, still one-half (50.4%) of the registered CBAs in 2009 specifically provided that termination of employment by the employer may be done only if there is a reasonable or just cause and after observance of due process.
- Two-fifths (40.1%) of the CBAs included provisions on dismissal/lay-off of workers as a result of mergers, sale, consolidation, dissolution, technological changes, business decline, recession, poor market, or in cases beyond control wherein, business operation cannot be performed.
- Likewise included in job security clauses was the non-discriminatory filling-up of vacancies. More than one half of the CBAs specified the filling-up of vacancies through promotion of existing employees (53.7%) while one-fourth (24.5%)

provided that immediate relatives of retired employees will be given priority in the hiring provided they are qualified for the job position.

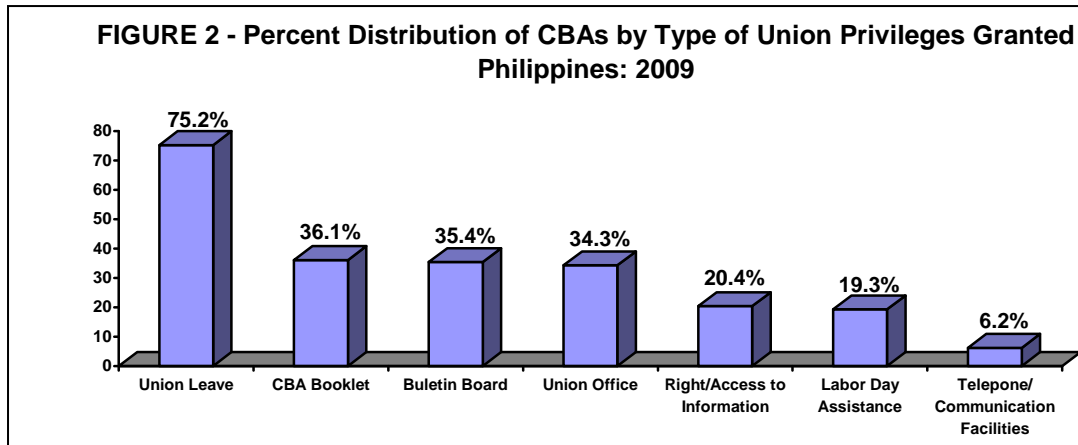
- An arrangement for the rehire/recall of previously dismissed employees to fill-up vacancies was stipulated in 1 out of every 7 CBAs (14.2%). Almost the same proportion (13.5%) included provision on the assignment or transfer of employees within the establishment.

Just dismissal/lay-off of workers	50.4%
Policy on lay-off	40.1%
Non-discriminatory filling-up of vacancies through:	
<i>Promotion</i>	53.7%
<i>Hiring next of kin of retired employees</i>	24.5%
<i>Rehire/Recall of dismissed employees</i>	14.2%
<i>Assignment/Transfer</i>	13.5%
<i>Reference in hiring</i>	5.1%
Provision of skills training	8.0%

- Only 8.0% of the CBAs stipulated on the provision of skills training to employees to further enhance/upgrade their effectiveness for the job as a result of implementation of new systems and technologies. Union referral was also given consideration in the filling-up of vacancies in 1 out of every 20 CBAs.

Union Privileges

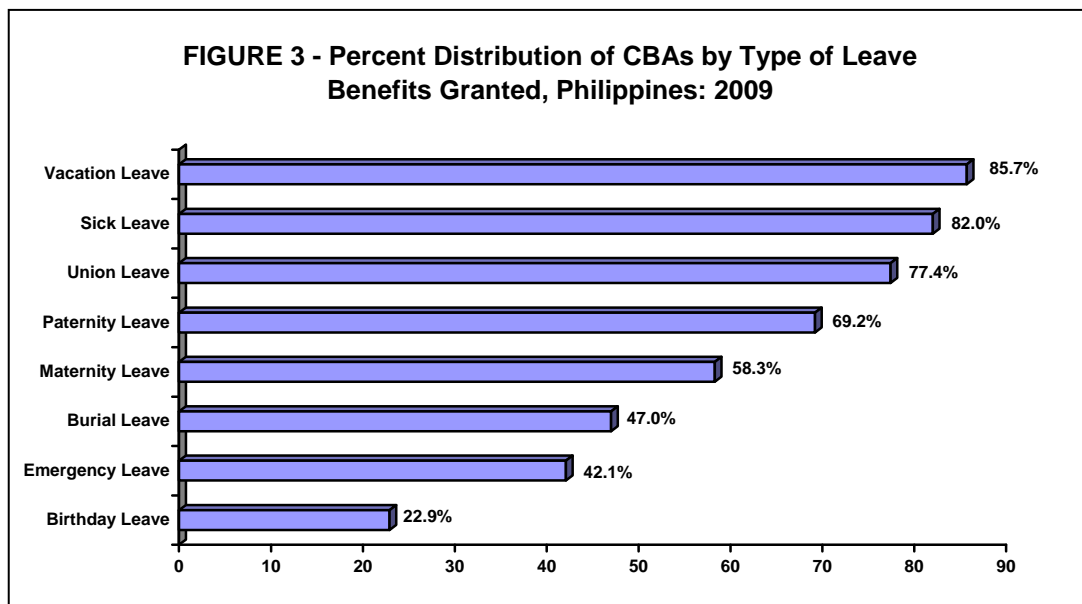
- One of the popular privileges enjoyed by union officers and union members is the granting of union leave. As such, they can participate or attend to union related matters/seminars outside of the establishment premises. This was stipulated in 3 out of every 4 CBAs (75.2%).
- The management was also responsible in the reproduction of CBA booklets for distribution to all covered employees as specified in 36.1% of the CBAs. Other facilities likewise provided to unions based on the CBAs were bulletin board (35.4%) and a union office (34.3%).



- About 1 out of every 5 CBAs (20.4%) included provision on the right/access to information and assistance in labor day celebration in terms of granting mobilization fund and t-shirts (19.3%).
- Only a small proportion of registered CBAs (6.2%) allowed unions to use telephone and other communication facilities of the establishment.

Leave Benefits

- The CBAs also included provisions on leave benefits to be enjoyed by workers. Top leave benefits granted in majority of the CBAs were vacation leave (85.7%); sick leave (82.0%); union leave (77.4%); paternity leave (69.2%); and maternity leave (58.3%).
- Other leave benefits with relatively high proportion included burial leave (47.0%); emergency leave (42.1%) and birthday leave (22.9%).

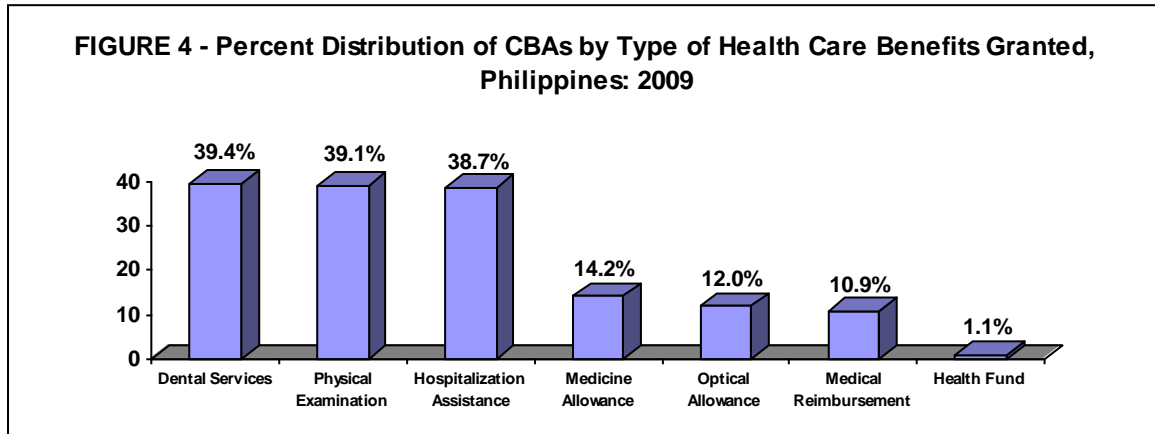


Grievance Machinery

- To promote harmonious relationship between union and management, the creation of labor management cooperation schemes were specified in almost half of the CBAs (46.7%).
- Grievance machinery was also institutionalized in 9 out of every 10 CBAs to serve as forum for employers and employees to settle disputes on CBA implementations and personnel policies of the company.

Health Care Benefits

- Various health care benefits were also provided in the 274 registered CBAs. About 2 out of every 5 CBAs granted dental services (39.4%), annual physical examination (39.1%), and hospitalization assistance (38.7%).
- Notably, a lesser proportion included medicine allowance (14.2%); optical assistance (12.0%); medical reimbursement (10.9%) and health fund (1.1%).



Terminal Benefits

- Retirement benefits was one of the terminal benefits clause included in 7 out of every 10 CBAs (67.9%). Under the Labor Code, an employee may retire upon reaching the retirement age stipulated in the CBA or other applicable employment contract.

Retirement benefits	67.9%
Separation/Severance pay	42.0%
Voluntary resignation	39.0%

- Benefits for voluntary resignation were provided in 2 out of every 5 CBAs (39.0%).

Well-being/Health Promotion Program

- One out of every 2 CBAs had provision for family planning seminars (50.4%) as part of their well-being and health promotion program for the employees. Less than half (45.6%) had stipulations on health and safety awareness while more than two-fifths (40.1%) provided life and accident insurance.
- Almost one-third (32.5%) of the CBAs included workers' education while only

a very small proportion (8.0%) indicated provision of skills training to improve workers' abilities and performance in their jobs.

Family planning seminars	50.4%
Health and safety awareness	45.6%
Life/Accident insurance	40.1%
Workers' education	32.5%

Supplemental Benefits

- Uniform allowance/clothing was stipulated in 7 out of every 11 CBAs (64.6%), while service or loyalty award/longevity pay was provided in 1 out of every 4 CBAs (23.0%). On the other hand, only 15% of the CBAs had negotiated for the provision of Christmas package to workers.

Uniform allowance/Clothing	64.6%
Service or Loyalty award/Longevity pay	23.0%
Christmas package	15.0%
Cost of Living Allowance (COLA)	3.3%

- Only a small proportion of CBAs (3.3%) provided for granting of COLA to workers.

FOR INQUIRIES

Regarding this report contact Labor Relations Statistics Division at 527-3000 local 319

Regarding other statistics and technical services contact BLES Data Bank at 527-9311 (Telefax)

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@hotmail.com or visit our website at <http://www.bles.dole.gov.ph>
