

Non-Economic Provisions of Collective Bargaining Agreements in 2011 (Last of a three-part series)

The Labor Code of the Philippines recognizes the importance of collective bargaining as one of the most fundamental and important elements in the promotion of harmonious labor-management relations and industrial peace. Collective bargaining basically involves a process of negotiations between employer and registered labor organization/s concerning wages, hours of work and working conditions of employees.

The ultimate goal of the collective bargaining process is a Collective Bargaining Agreement (CBA), which serves as a contract between a legitimate labor union and the employer. A CBA generally contains economic clauses or provisions on the terms and conditions of employment with monetary value including wage increases, loan benefits, bonuses, allowances, retirement plan, and other fringe benefits. It likewise includes non-economic provisions, e.g., union security clauses, grievance procedures, labor-management cooperation schemes, and other stipulations without monetary value.

The three series of LABSTAT Updates focus on the statistics of CBAs gathered from the documents filed at the Bureau of Labor Relations (BLR). Specifically, this last issue provides a descriptive analysis on the non-economic provisions of CBAs registered in 2011.

Union Security

- Of the total 326 CBAs registered in 2011, almost all (95.1% or 310 CBAs) contained non-economic provisions or stipulations without an equivalent monetary value. The non-economic provisions primarily cover clauses on union and job security, union privileges, grievance machinery, as well as, benefits relating to health care, retirement and other supplemental benefits.
- Majority of the CBAs had check-off as part of their union security clauses. Most common was union dues check-off with 298 CBAs (91.4%) followed by special assessment (83.4%) and agency fees (67.8%). Check-off allows employers to make deductions (e.g., union dues, agency fees, etc.) from the employees' pay checks.
- Another union security stipulated in CBAs was on maintenance of membership (77.0%). This requires that all employees who shall become members of the union shall maintain their union membership as a condition for continued employment in the company.

Union Security Clause	Number of CBAs	Percent Share
Check-off		
<i>Union Dues</i>	298	91.4
<i>Special Assessment Fees</i>	272	83.4
<i>Agency Fees</i>	221	67.8
Maintenance of Membership	251	77.0
Management Right/ Prerogative	245	75.2
Union Right/ Responsibility	155	47.6

- Almost the same proportion had provisions on management right/prerogative (75.2%) whereby employers had the sole and exclusive right to exercise the functions and prerogatives in the management and operation of the business.
- Nearly half (47.6%) of the registered CBAs had stipulations on union right/responsibility which contains the rights of the workers to self organization and collective bargaining; as well as, the duties and responsibilities of the workers.
- Another job security clause provided in some CBAs was on non-discriminatory filling-up of vacancies. This provides that vacancies can be filled-up through promotion of existing employees (44.5%); hiring of next of kin of retired employees provided they are qualified for the job (31.3%); assignment or transfer of employees within the establishment (26.1%); and rehire or recall of previously dismissed employees (17.8%). Only a small proportion of the CBAs (2.5%) had provisions on union referral in the filling up of vacancies.

Job Security

- To guarantee the security and tenure of employment of the workers, more than half (56.4%) of registered CBAs stipulated that termination of employment by the employer may be done only if there is just or reasonable cause and after observance of due process.
- Likewise, about 4 out of every 9 CBAs (44.2%) stipulated a policy on lay-off or dismissal of workers that may result from merger, sale, consolidation, dissolution, technological changes, business decline, recession, poor market and/or other reasons beyond the control of the employer.

Job Security Clauses	Number of CBAs	Percent Share
Just Dismissal/Lay-off of Workers	184	56.4
Non-Discriminatory Filling-up of Vacancies through:		
<i>Promotion</i>	145	44.5
<i>Hiring of Next of Kin of Retired Employees</i>	102	31.3
<i>Assignment/Transfer of Employees</i>	85	26.1
<i>Rehire/Recall of Dismissed Employees</i>	58	17.8
<i>Union Referral</i>	8	2.5
Policy on Lay-off	144	44.2
Provision of Skills Training	38	11.7

- Notably, 1 out of every 9 CBAs (11.7%) had provisions on the skills training of employees to enhance/upgrade their capability to do a job.

Union Privileges

- Union leave for officers and members of unions were provided in 238 CBAs (73.0%). This allows unions officers/members to attend to union-related matters/seminars/meetings held outside the premises of the establishment.

Union Privileges	Number of CBAs	Percent Share
Union Leave	238	73.0
Use of Facilities		
<i>Bulletin Board</i>	138	42.3
<i>Union Office</i>	120	36.8
<i>Telephone</i>	15	4.6
CBA Booklet	101	31.0
Right/Access Information	75	23.0
Labor Day Assistance		
<i>T-shirt</i>	44	13.5
<i>Mobilization Fund</i>	42	12.9

- About 2 out of every 5 CBAs (42.3%) allowed union access to some facilities within the premises of the company, such as use of bulletin board for posting of announcements/notices; space for union office (36.8%) and use of telephone/communication facilities (4.6%).

- To be able to disseminate information on the company’s CBA, management agreed to provide assistance in the reproduction of CBA booklets, in 3 out of every 10 CBAs (31.0%). Only 2 out of every 9 CBAs (23.0%) granted union the right or access to company information.
- Assistance in the Labor Day celebration was likewise specified in some CBAs. The assistance included free T-shirts (13.5%) to union members and funds for mobilization (12.9%).

Grievance Machinery

- The creation of grievance machinery to settle issues on CBA implementation and personnel concerns was specified in almost all CBAs (316 or 96.9%) while only few (6.4% or 21 CBAs) had stipulations on workers’ education.

Well-Being/Health Promotion Program

- The conduct of family planning seminars as part of the health and well-being program for employees was stipulated in almost 3 out of every 4 CBAs (73.6%).

Well-Being/Health Promotion Program	Number of CBAs	Percent Share
Family Planning Seminars	240	73.6
Health and Safety Awareness	183	56.1
Life/Accident Insurance	130	39.9

- More than half (56.1%) recognized the importance of the conduct of health and safety awareness seminars. Notably, 2 out of every 5 CBAs had provisions for life/accident insurance of employees.

Health Care Benefits

- Less than half of the CBAs provided health care benefits to the covered workers. Common benefits granted were as follows:

Health Care Benefits	Number of CBAs	Percent Share
Physical Examination	141	43.3
Dental Services	139	42.6
Hospitalization Assistance	128	39.3
Medicine Allowance	42	12.9
Optical Assistance	34	10.4
Medical Reimbursement	34	10.4
Health Fund	21	6.4

Leave Benefits

- Majority of the CBAs had stipulations on leave benefits. In some CBAs, it covered both mandatory and other negotiated leave benefits while others included only those leave benefits granted over and above that provided by law.
- Commonly noted provisions were vacation leave (88.3%), sick leave (85.3%) and union leave (73.0%), paternity leave (60.1%), maternity leave (49.1%), emergency leave (40.5%), burial leave (39.3%) and birthday leave (24.2%).

Leave Benefits	Number of CBAs	Percent Share
Vacation Leave	288	88.3
Sick Leave	278	85.3
Union Leave	238	73.0
Paternity Leave*	196	60.1
Maternity Leave*	160	49.1
Emergency Leave	132	40.5
Burial Leave	128	39.3
Birthday Leave	79	24.2
Solo Parent Leave*	16	4.9
Calamity Leave	12	3.7
Service Incentive Leave*	12	3.7
School/Study Leave	8	2.5
Accident Leave	6	1.8
Military Leave	4	1.2
Court Leave	3	0.9

* *Mandatory benefits under the law. However, it cannot be determined how many CBAs provided benefits more than those provided by law, i.e. extended leave benefits.*

- Other leave benefits provided but only in few CBAs were solo parent leave (4.9%), calamity (3.7%), school/study leave (2.5%), accident leave (1.8%), military leave (1.2%) and court leave (0.9%).

Retirement/Termination Benefits

- Seven out of every 10 CBAs (69.6%) had provisions on retirement benefits of employees while 4 out of every 9 CBAs (44.8%) included provision on separation/severance pay.

Retirement/Termination Benefits	Number of CBAs	Percent Share
Retirement Benefits	227	69.6
Separation/Severance Pay	146	44.8
Voluntary Resignation Pay	56	17.2

- A lesser proportion granted resignation pay (17.2%) for employees who voluntarily resigned.

Supplemental Benefits

- On the supplemental benefits granted, uniform/clothing allowance was the most common with 224 CBAs (68.7%). Other CBAs had provisions on service/loyalty award/longevity pay (74 CBAs or 22.7%) and Christmas package (54 CBAs or 16.6%).

Supplemental Benefits	Number of CBAs	Percent Share
Uniform/Clothing Allowance	224	68.7
Service/Loyalty Award/Longevity Pay	74	22.7
Christmas Package	54	16.6
Cost of Living Allowance (COLA)	22	6.8

- Only a small proportion (6.8% or 22 CBAs) included the granting of Cost of Living Allowance (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 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>
