

LABOR - MANAGEMENT RELATIONS IN NON-AGRICULTURAL ESTABLISHMENTS

Highlights of Results of 1999 Industrial Relations at the Workplace Survey (Fourth of a Seven-Part Series)

In 1999, the Bureau of Labor and Employment Statistics conducted the second round of the Industrial Relations at the Workplace Survey. The first round was undertaken in 1995. This survey aims to determine the existing employment and wage policies and practices and existing labor-management relations in non-agricultural establishments. In 1999, the survey included inquiries on the mechanisms developed by establishments in coping with the possible effects of globalization and measures implemented or plan to implement to cope with the financial crisis. It covers an estimated 21,527 non-agricultural establishments with at least 20 workers nationwide in 12 major industry groups. Excluded are the establishments in the public sector except government corporations.

This issue, the fourth of a seven-part series focuses on labor management relations in unionized and non-unionized establishments and in wholly Filipino-owned establishments and those with foreign capital. This includes the status of relationship between employees and management, methods used by management to communicate with its employees and frequency of management consultation with employee representatives or union officers on some pre-determined areas of concern.

STATUS OF LABOR- MANAGEMENT RELATIONS

Percent Distribution of Establishments by Status of Relationship Between Employees and Management, With or Without Union and Type of Ownership
Philippines: 1999
(In percent except levels)

Status	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
TOTAL	4,265 (100.0)	17,262 (100.0)	3,171 (100.0)	18,356 (100.0)
Excellent/ Outstanding	15.6	13.9	13.4	14.4
Very Satisfactory	43.5	45.4	46.9	44.7
Satisfactory	38.9	38.6	38.0	38.7
Unsatisfactory	1.8	1.6	1.4	1.6
Not Stated	0.2	0.5	0.3	0.5

Establishments were asked to rate the relationship between employees and management.

- ❑ Respondents with union rated the relationship as follows: very satisfactory (43.5%); satisfactory (38.9%) and excellent or outstanding (15.6%).
- ❑ A similar pattern was observed in non-unionized establishments where a large proportion rated their relationship as very satisfactory (45.4%). Some 38.6 percent and 13.9 percent gave satisfactory and excellent/ outstanding ratings, respectively.

- By type of ownership, most of the respondents in both wholly Filipino-owned and with foreign capital viewed the relationship as very satisfactory (44.7% vs. 46.9%). Less than 15.0 percent perceived it as excellent/outstanding.

FACTORS CONSIDERED IN RATING LABOR MANAGEMENT RELATIONS

In making the above rating, respondents supported their answers by identifying the factors taken into consideration.

Percent Distribution of Establishments by Factors Considered in Rating Labor Management Relations With or Without Union and Type of Ownership Philippines: 1999

Factors Considered	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
Open communication bet. workers and mgt.	89.6	81.8	82.5	83.5
Transparency of management	52.7	47.3	52.6	47.6
Employees morale	50.1	46.9	51.7	46.9
Number of grievances	31.3	14.1	26.7	15.9
Labor turnover	20.0	16.8	22.7	16.5
Number of industrial disputes/strikes	15.1	3.4	7.9	5.4
Others	0.6	1.8	2.1	1.4
Not stated	0.7	1.9	0.7	1.8

- Among the factors taken into account by unionized establishments, the following topped the list: open communication between employees and management (89.6%), transparency of management (52.7%) and employees morale (50.1%).
- The same three factors were also considered in non-unionized establishments though with a relatively lower percentage shares of 81.8 percent, 47.3 percent and 46.9 percent, respectively.
- Majority or more than 80.0 percent of wholly Filipino-owned establishments and those with foreign- capital identified open communication as the main factor for the very satisfactory rating. Transparency of

management and employees morale were also considered contributory factors.

METHODS USED BY MANAGEMENT IN COMMUNICATING TO EMPLOYEES

The respondents were asked on the methods adopted by management to regularly communicate to its employees.

Percent Distribution of Establishments by Methods Adopted by Management in Communicating to Employees, With or Without Union and Type of Ownership, Philippines: 1999

Methods Used	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
Regular meetings bet. employees and supervisors or line mgt.	72.7	67.4	74.1	67.5
Regular meetings between senior managers and employees	66.3	63.0	68.5	62.8
Daily 'walk around' the workplace by senior management officials	61.0	59.3	57.2	60.0
Workplace newsletter/ staff development	58.4	38.1	61.7	38.8
Suggestions schemes for employees	31.0	29.8	29.9	30.0
Formal joint consultative committee meetings	28.3	13.2	19.2	15.7
Regular social functions	27.1	25.2	32.4	24.4
Quality circles/productivity improvement groups	21.4	9.3	19.6	10.4
Task forces, ad hoc joint committee or working parties	20.7	8.5	15.7	10.1
Employee reps sitting on board of directors meetings	9.6	6.1	5.8	7.0
Others	0.9	0.8	0.9	0.8

- Among the methods used by management in communicating with its employees the following were the top three choices in both unionized and non-unionized establishments: regular meetings between employees and supervisors or line management (72.7% vs. 67.4%); regular meetings between senior managers and employees (66.3% vs. 63.0%); and daily "walk around" the workplace by senior management officials (61.0% vs. 59.3%).
- The above-mentioned three methods were likewise adopted by more than half of the

wholly Filipino-owned establishments and those with foreign capital.

and disciplinary actions (49.8%) and changes in work practices (49.6%).

FREQUENCY OF MANAGEMENT CONSULTATIONS

Respondents were asked on how frequent management consults their employees or union officers on some pre-determined areas of concern.

- ❑ Unionized establishments disclosed that they *always* consult their employees on the following: dismissals and disciplinary actions (58.9%); occupational health and safety (54.0%); and changes in work practices (49.0%). Consultations were *sometimes* undertaken on matters related to staffing levels (43.7%); wage increases (39.8%); and introduction of new technology (39.6%).
- ❑ In establishments without unions, nearly 5 out of 10 *always* conduct consultation with employees on matters of occupational health and safety (45.7%) and dismissals and disciplinary actions (45.1%). On the other hand, about 4 out of 10 *sometimes* consult their employees on the following: wage increases (43.7%); staffing levels (39.5%); and changes in work practices (36.3%)
- ❑ Among wholly Filipino-owned establishments, consultations were *always* undertaken in the areas of dismissals and disciplinary action (47.5%); occupational health and safety (46.5%); and changes in work practices (42.7%). *Sometimes* they consult their employees on wage increases (43.6%) and staffing levels (40.1%).
- ❑ More than half (52.2%) of the establishments with foreign capital gave more priority to occupational health and safety concerns. Almost 50.0 percent disclosed they *always* discuss with their employees matters related to dismissals

Percent Distribution of Establishments by Frequency of Management Consultation With Employee Representatives on Some Areas of Concern, With or Without Union and Type of Ownership
Philippines: 1999

Frequency and Area of Concern	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
<i>Always</i>				
Dismissals and disciplinary action	58.9	45.1	49.8	47.5
Occupational health and safety	54.0	45.7	52.2	46.5
Changes in work practices	49.0	42.4	49.6	42.7
Wage increases	41.2	26.5	32.2	28.9
Introduction of new technology	35.2	36.7	40.9	35.6
Major change in product/services	33.7	37.7	41.8	36.1
Staffing levels	20.9	30.5	21.3	29.8
<i>Sometimes</i>				
Staffing levels	43.7	39.5	41.6	40.1
Wage increases	39.8	43.7	38.9	43.6
Introduction of new technology	39.6	34.3	34.0	35.6
Changes in work practices	36.7	36.3	32.2	37.1
Occupational health & safety	34.8	33.6	0.2	34.4
Major change in product/services	33.6	30.0	28.7	31.1
Dismissals and disciplinary action	30.6	33.0	31.5	32.7
<i>Never</i>				
Staffing levels	25.5	16.8	25.7	17.3
Major change in product/services	23.8	19.0	22.5	19.5
Introduction of new technology	16.5	15.2	16.7	15.2
Wage increases	13.3	19.5	22.5	17.6
Changes in work practices	8.8	10.5	11.2	10.0
Occupational health and safety	5.4	9.2	10.9	8.1
Dismissals and disciplinary action	6.5	11.5	12.2	10.2

- ❑ On the average, about one-fifth of the establishments revealed they *never* consult their employees on major change in product/service.

FOR INQUIRIES:

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