

WAGE FIXING PRACTICES AND WELFARE BENEFITS GRANTED IN NON-AGRICULTURAL ESTABLISHMENTS: 1999

*Highlights of Results of 1999 Industrial Relations at the Workplace Survey
(Third 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 also included inquiries on the mechanisms developed by establishments in coping with the possible effects of globalization and measures implemented or plans to be implemented to cope with the financial crisis. It covers an estimated of 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 third of a seven-part series, focuses on the wage fixing practices in unionized and non-unionized establishments and in wholly Filipino-owned establishments and those with foreign capital. It also presents the various welfare benefits -- leave benefits; allowances, bonuses and gratuities; and social security schemes -- as well as,

other non-welfare benefits provided to workers.

MACHINERY FOR REVISING/ FIXING WAGES AND SALARIES

- ⊙ *Collective bargaining* was utilized by nearly two-thirds (63.7%) of the 4,265 estimated establishments with union in revising wages and salaries. Only one-fifth (21.9%) depended on *minimum wage issuances of the Regional Tripartite Wage and Productivity Board (RTWPB)*. (See details in Table 1)
- ⊙ Among 17,262 establishments without union a larger proportion (43.1%) relied on *RTWPB wage orders* while some 39.0 percent revised wages based on the *decision of the employer*.
- ⊙ By type of ownership, more establishments with foreign capital (34.3%) than wholly Filipino-owned (32.6%) depended on the *decision of the employer* in revising wage. RTWPB wage orders on the other hand, were the basis for the changes in wages in some 40.3 percent of the Filipino-

owned establishments and in 31.6 percent of those with foreign equity.

BASIS OF PAYMENT

- About half (49.7%) of the unionized establishments paid wages and salaries semi-monthly while 20.3 percent reported weekly basis of payment.
- Semi-monthly payment was likewise utilized by majority of the establishments without union (56.1%) and by establishments with foreign equity (60.6%) and wholly Filipino-owned (53.8%).
- Almost all establishments paid wages and salaries wholly in cash.

WELFARE BENEFITS PROVIDED

Leave Benefits

Percent Distribution of Establishments By Type of Leave Benefits Granted to Employees, With or Without Union and Type of Ownership Philippines: 1999

Leave Benefit	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
Vacation Leave	98.0	81.4	95.0	87.7
Sick Leave	96.9	85.2	94.1	91.4
Paid Regular Holidays	90.9	81.5	89.4	87.1
Maternity Leave	87.6	79.4	90.5	84.0
Paternity Leave	81.9	51.9	79.8	57.1
Paid Special Holidays	81.0	75.3	78.1	80.5
Union Leave	66.7	-	24.6	11.9
Birthday Leave	27.0	12.6	14.9	16.5
Study/Scholarship Leave	26.6	10.3	15.5	14.0
Service Incentive Leave	18.0	23.3	18.4	24.2

- Non-agricultural establishments granted various types of leave benefits to workers. Notably, more than 80.0 percent of the establishments with union provided for the following benefits: vacation leave (98.0%), sick leave (96.9%), paid regular holidays (90.9%), maternity leave (87.6%), paternity

leave (81.9%) and paid special holidays (81.0%).

- Top five benefits provided by establishments with foreign equity and wholly Filipino-owned include the following: vacation leave (95.0% vs. 87.7%), sick leave (94.1% vs. 91.4%), maternity leave (90.5% vs. 84.0%), paid regular holidays (89.4% vs. 87.1%) and paternity leave (79.8% vs. 57.1%).

Allowances, Bonuses and Gratuities

- Welfare benefits in the form of allowances/bonuses/gratuities were provided to workers by establishments with union and without union and by establishments with foreign equity as well as wholly Filipino-owned.
- Benefits provided and the corresponding proportion of granting establishments to total were as follows:

Percent Distribution of Establishments By Type of Allowances/Bonuses/Gratuities Granted to Employees, With or Without Union and Type of Ownership, Philippines: 1999

Allowance/Bonus/Gratuity	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
13 th Month Bonus	95.5	92.7	94.3	98.5
Transport Allowance	54.0	43.0	49.0	47.1
Christmas Bonus	51.5	44.7	43.1	49.3
Representation Allowance	41.2	32.2	33.0	36.1
Incentive Pay	37.0	32.4	31.3	35.6
Mid-Year Bonus	33.2	16.6	25.9	19.9
Cost of Living Allowance	32.7	26.9	24.5	30.4
Productivity Bonus	25.3	16.3	19.1	19.0
Performance Bonus	23.9	20.0	25.7	21.0
Profit Sharing Bonus	12.3	8.9	8.9	10.2
14 th , 15 th Month Pay	12.2	6.3	11.8	7.1

- Granting of the abovementioned allowances/bonuses/gratuities were based accordingly on the employees' wages and salaries.

Social Security Schemes

- Results showed that more than 60.0 percent of the unionized and non-

unionized establishments provided for separation/termination pay. However, more establishments with unions offered various social security benefits to their workers than those without unions.

- Three out of four establishments with union had provisions for retirement pay, medical/dental benefits and bereavement/burial aid. Conversely, only one out of two non-unionized establishments granted retirement pay and medical/dental benefits and two out of five had bereavement or burial aid.

Percent Distribution of Establishments By Type of Social Security Schemes Granted to Employees, With or Without Union and Type of Ownership Philippines: 1999

Social Security Scheme	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
Retirement Pay	77.3	53.5	62.8	60.7
Bereavement/ Burial	76.7	39.8	51.9	48.9
Medical/Dental Benefits	75.9	46.8	72.5	52.0
Separation/ Termination Pay	73.4	60.7	63.7	66.7
Medicines	62.9	38.2	58.9	42.7
Hospitalization Plan	56.5	30.7	52.1	34.9
Accident and Sickness Insurance	45.7	34.3	49.6	36.3
Life Insurance	37.4	20.5	41.6	22.0
Pension Plan	12.0	10.6	7.8	12.1

- Among establishments with foreign capital, medical/dental benefits topped the list of benefits with nearly three out of four establishments providing such benefit compared to only one out of two among wholly Filipino-owned establishments. Other social security schemes provided include the following: retirement pay (62.8% vs. 60.7%), hospitalization plan (52.1% vs. 34.9%), medicines (58.9% vs. 42.7%) and bereavement/burial (51.9% vs. 48.9%).

Other Welfare Benefits

- Some establishments with union and without union also provided other welfare benefits to workers. In proportion to their respective totals, a larger proportion of establishments with union provided for various benefits than in establishments without union. The following were the top benefits cited: clothing allowance (74.3% vs. 53.0%), skills development and training (50.2% vs. 31.3%), meal subsidies/allowances (50.0% vs. 37.4%), rice allowances (38.4% vs. 15.1%), credit and loan services (33.5% vs. 25.4%) and recreation facilities (43.2% vs. 18.2%).
- More than half of the establishments with foreign equity provided uniform/clothing allowance (68.1%) and meal subsidies and allowances (51.6%) while only 58.6 percent and 40.1 percent, respectively of the wholly Filipino-owned establishments granted such benefits.

Percent Distribution of Establishments by Type of Other Welfare Benefits Granted to Employees, With or Without Union and Type of Ownership Philippines: 1999

Other Welfare Benefit	With Union	Without Union	With Foreign Equity	Wholly Filipino-Owned
Uniform/Clothing Allowance	74.3	53.0	68.1	58.6
Skills Dev't Training	50.2	31.3	47.1	34.9
Meal Subsidies/ Allowances	50.0	37.4	51.6	40.1
Recreation Facilities	43.2	18.2	41.2	21.2
Rice Allowances	38.4	15.1	31.5	18.7
Credit/Loan Services	33.5	25.4	27.0	28.5
Family Planning	21.2	3.2	14.2	5.8
Study Grants	15.5	8.0	8.0	10.3
Educational Plan	15.0	5.6	6.5	8.1
Free/Subsidized Housing	12.0	10.3	9.9	11.3

For Inquiries:

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Or visit our website at <http://www.manila-online.net/bles> for other statistical information.

**Table 1 - Number and Percent Distribution of Establishments by Selected Wage Practices
With or Without Union and Type of Ownership, Philippines: 1999**

(Details may not add up to total due to rounding.)

INDICATOR	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
Method Used in Revising Wages and Salaries								
Collective Bargaining Agreement	2,715	63.7	-	-	747	23.6	1,968	10.7
Individual Agreement Between Employer-Employee	37	0.9	2,263	13.1	132	4.2	2,167	11.8
Employer's Decision	324	7.6	6,740	39.0	1,089	34.3	5,975	32.6
Agreement Between Employer and Union	141	3.3	-	-	16	0.5	124	0.7
Wage Restructuring (RTWPB)	933	21.9	7,464	43.2	1,002	31.6	7,395	40.3
Others	117	2.7	794	4.6	184	5.8	728	4.0
Basis of Payment								
Daily	589	13.8	1,954	11.3	425	13.4	2,117	11.5
Weekly	867	20.3	3,213	18.6	390	12.3	3,690	20.1
Semi-monthly	2,120	49.7	9,687	56.1	1,923	60.6	9,884	53.8
Monthly	626	14.7	1,898	11.0	407	12.8	2,117	11.5
Output	64	1.5	509	2.9	25	0.8	548	3.0
Mode of Payment								
Wholly in Cash	4,236	99.3	17,074	98.9	3,151	99.4	18,160	98.9
Partly in Cash and Partly in Kind	30	0.7	159	0.9	20	0.6	169	0.9
Wholly in Kind	-	-	27	0.2	-	-	27	0.1
Basis of Granting Allowances/ Bonuses/Gratuities								
Salary of Employees	3,117	73.1	12,494	72.4	2,132	67.2	13,479	73.4
Percent of Net Profit	321	7.5	1,845	10.7	301	9.5	1,866	10.2
Others	710	16.6	2,361	13.7	659	20.8	2,411	13.1
Not Stated	119	2.8	560	3.2	78	2.5	600	3.3

Source of data: Bureau of Labor and Employment Statistics, 1999 Industrial Relations at the Workplace Survey.