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Towards Attaining Harmony at the Workplace

**A Study on Best Practices at the Workplace
Dispute Settlement Mechanism:
Prospects for Policy**

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**TOWARDS ATTAINING HARMONY AT THE WORKPLACE
A STUDY ON BEST PRACTICES AT THE WORKPLACE DISPUTE
SETTLEMENT MECHANISM:
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The views expressed in this paper are those of the authors and do not reflect the opinion of the Institute for Labor Studies and the Department of Labor and Employment.

ABSTRACT

Attaining peace and harmony at the workplace is a vital ingredient in achieving business survival and economic growth. The study attempts to document the best practices at the workplace dispute settlement mechanism as company's adjustment measures to boost productivity and attain global competitiveness.

The paper further attempts to find out the factors used for fast, fair and effective settlement of disputes. It seeks to examine how these factors are affecting workers behaviour and overall performance of the companies. It likewise recommend policy measures on how these best innovative practices can be used as a tool for social dialogue to create its splintering effect to both in organized and unorganized establishments.

Chapter 1

INTRODUCTION

A. The Problem's Background

Case in Focus: A Workplace Scenario

Hidden Paradise is a first class resort in one of the top tourist destination in north of Luzon. Because of its geographic location and natural beauty many tourists are now frequenting the area. Its worldwide marketing strategies are within the click of a finger. Added to this, it gets benefit to government promotion, since tourism industry is now the focus of government's intervention. Who's and what's happening inside this resort's busy workplace?¹

John a young entrepreneur is the owner of the resort. He is driven by the need to achieve, to get things done quickly and efficiently. He hates it when his workers take a long time to get his point. He don't want to be seen as gullible and indecisive. He talks to his clients and workers straight to the point and doesn't hold back. A flaw is a flaw. He doesn't waste his time to discuss it. He is driven by result, and he feels good about it.

Lourdes, a resort supervisor, is a perfectionist. For her, getting the things right is more important than caring or being successful. She is thorough in her work paying attention to details, fair principled and does not like taking risks. She is adept of building highly effective processes that produce consistent results. She is reluctant to delegate or give control to others, as they may not have her high standards.

Lito one of the cooks in the resort is a relaxed and easy going person, who can accept delays, changes in schedule and open to new ways of doing things. He is a positive, enthusiastic person who likes bit of excitement. He is a free spirit who often ignores protocol. He likes to be consulted by others in a team and would not want to be rigid, inflexible or narrow-minded. He likes variety and becomes bored easily.

¹This section was derived from Shay and Margaret Mc. Connon. 2008. *Managing Conflict at the Workplace*.

Lydia one of the waiters in the resort is a polite, warm and friendly person. She is sensitive, modest and unassuming. She is inclined to take other peoples to heart and always like to help. To her, relationships with her co-workers are important. She is generous with her time and a good listener. She volunteered for the jobs that no one wants to do. She dislikes conflict of any kind and works hard at keeping harmony in the team.

Last summer, during their busy days in the resort, their works got really tough. Lourdes noticed that Lito was just doing his work playfully with fun even when food orders are very high. He has a knack of good jokes and generating enthusiasm, making crisis moments fun- "what good is worrying, just enjoy it."

Lourdes, his supervisor does not appreciate it. She disagrees with Lito's ethos that "work should be fun." Lito thinks aloud in putting his ideas on the table and Lourdes is annoyed with Lito's ideas. She is upset with his disorganization, his casualty and his being unstructured. Being a supervisor of the hotel, Lito always get reprimands from her.

Disappointed with the feeling that his view in life is not accepted by the supervisor, Lito shares his sentiment to Lydia, the waiter who is always in his close contact with. Lydia feels that Lito works hard in the kitchen and should not deserve this kind of treatment from the supervisor. As a result, Lydia felt reluctant to work with their supervisor. Besides, in her personal encounter with Lourdes, she is - big in criticism and small in compliments. Lourdes does not tolerate her sloppiness of any kind. Lydia felt that her initiative of doing extra works while others don't is undervalued.

Lydia finds Lourdes difficult to relate, reserved, cold and unfriendly. Since Lydia is a friendly person, she can easily share her discontent with her friends who are also waiters of the resort. While Lito, having a creative flair and vision, is now thinking of innovative ways of getting-fair treatment with his supervisor.

Lourdes on the other hand, is now being suspicious with the two staff of the resort. She always finds something wrong with everything that Lydia and Lito are doing. For her, things are always black and white, right or wrong. This kind of treatment is starting to magnify in the resort's workplace. Other waiters and kitchen helpers started rumor-mongering during their lunch breaks. The sympathy of co-waiters and kitchen helpers goes with Lito and Lydia.

Lydia, being a good listener feels that it is her obligation to talk this matter to Mr. John, the owner and general manager of Hidden Paradise. Since, she takes problems to heart, she wanted to help Mr John to keep the harmony in the workplace and revive the team spirit. One day, she braced herself of knocking at the door of the manager, but found out that Lourdes was there reporting the flaws of the staff to Mr. John.

The following day, she again attempted to talk to Mr. John, to say sorry, explain her side to the flaws reported by Lourdes and to inform to the owner what is really happening inside the resort. While Lydia was just starting the conversation, Mr. John feels irritated, and thought that what Lydia is saying is just a waste of his time. He believed that he can get the things done well through his very efficient supervisor. He just simply stopped the conversation, graciously excused Lydia and proceeded with his work. Lydia felt dismayed with the action of the owner of the resort.

Lydia shared her experience to Lito and to other friends in the resort. They felt bad that the owner had no time to hear their sides. They felt they did not get fair treatment. This situation left unnoticed for long period of time. Because the situation was getting worst, they started to meet with other co-workers and started checking if their rights, wages and benefits under the law are given fairly. The workers now feel that they are not treated fairly. Their enthusiasm and dedication at work turn loosely. Hence, a very nice, clean and neat resort where foods are always sumptuous and inviting while being serve by very warm and hospitable waiters are now started dwindle.

In view of this workplace situation, Lourdes started to issue memorandum one on top of the other. Mr. John started to receive complaints to the hotel and resort visitors. The situation at the resort's workplace is now bloating into chaos. In reaction to the situation, the workers started to form their own union through the leadership of Lito. Lourdes, feels frustrated now, to her mind the workers are becoming hard headed and uncooperative. Why inspite of her strict regulations, the workers are becoming stubborn? How can she push them to work harder, in accordance with Mr. John's direction? Even if Lourdes works really hard, their client-guests started to be dismayed and their guest list went down to bottom.

Mr. John is now facing the difficulty of running his resort business and now bracing a serious loss. He is now seeking DOLE assistance to have a flexible work arrangement, while looking for some additional capital to sustain the resort's existence.

On the other hand, the workers who are facing lesser days of work are now forming their union. They are now aware of their rights and benefits under the law. The workers' grievance was already filed and now at the office of Mr. John. Outside the resort, small livelihoods of the workers family members who are dependent on the incoming tourist-guests are also at a loss.

John is now alarmed, next summer is fast approaching and tourists are already coming. How can he resolve his problem? John is starting to seek legal advice from his lawyer. Lourdes started pressuring the workers involved in organizing. Her initial step is to terminate Lito, their union President. One time, she found

out that Lito failed to pay a company's bus ticket of 7.50 in going to work. Alas! Lourdes finds her way to terminate him. The union is now alarmed. They filed a Notice of Strike to NCMB.

While the resort is staging a big event, and everybody is so busy, the strike happens. John is now at a loss. He doesn't know what to do, how can he remedy the situation? How can he hold back his workers to work? How can he withhold his guests to comment negatively in his resort's website? The good reputation of his very nice resort, which is the product of his dream and all his hard works are now at stake!

This kind of labor-dispute scenario is happening in industry's workplace. What are the remedial measures to prevent this from happening? Are other companies already found ways to prevent it from happening? What are their strategies and best practices so as not to disturb peace and harmony at their workplaces?

B. The Policy Problem

Industry today is viewed as a venture of partnership between employers, workers and government. The tripartite partners need to work hand in hand in attaining global competitiveness for the country's vision of eliminating poverty and achieving inclusive economic growth.

The Philippine Labor and Employment Plan 2011 – 2016 is anchored towards the attainment of inclusive growth for Filipino workers through the promotion of decent and productive jobs and competitive enterprises. The new labor-governance framework of the country balances the need for creating an enabling environment for investments and employment growth on one hand and the need to ensure minimum standards at work in an era of highly-competitive markets.²

In view of ensuring a balanced and sustainable growth (*inclusive growth*) for business survival and competitiveness, the setting up of an effective mechanism towards ensuring speed and reliability in settling disputes is one of the primordial concerns of new governance. Labor-management partnership and cooperation is now being promoted in setting up of an effective workplace dispute resolution or effective grievance machinery (GM) at the workplace for speedy resolution of issues and conflicts.

At present, under Article 260 of the Labor Code, the setting up of grievance mechanism is only compulsory in a unionized establishment with CBAs but not to the non-unionized establishments. In unionized firms, each collective agreement of the company should contain provisions for grievance procedure by which dispute arising between the employer and the union may be resolved. The grievance machinery (GM) provides a framework to address and ultimately

² Philippine Labor and Employment Plan 2011-2016. April 2011. DOLE. DOLE Bldg. Muralla St. cor. Gen Luna

resolve their disputes. However, GM is only true to the few unionized companies with CBAs.

Statistics revealed that, installed GMs only comprise 0.18% of the total number of establishment in the country. At present, there are only 1,413 Collective Bargaining Agreements (CBAs) registered out of _____ establishments in the country, This will only benefitting 212,054 workers. Union registration registered only at 17, 973, with only, 1, 713,590 memberships. This will mean that only ____% of unionized workers have benefitted to installed GM.

As compared to the total workforce, _____, the extent of benefits of GM installation at the workplace is so small, and the number of workers benefitted is insignificant. The common criticism of the grievance machineries at the firm level today is its inaction in unionized establishment and the lack of it in non-unionized establishments. Moreover, many establishments perceived that GM under the Labor Code is ineffective since, it is structured, procedural, and legalistic.

In view of the above, this humble researcher is posing a question ***"Is the grievance machinery procedure under the Labor Code still applicable and effective at the workplace?"***

In pursuance to the institutional reforms outlined in the Philippine Labor and Employment Plan, **Administrative Order 115-11** was signed by the DOLE Secretary on May 6, 2011 to promote the voluntary compliance on **Incentivizing Compliance Program (ICP)**. One of the programs promoted is **Incentivizing Grievance Machinery (GM) at the firm level**. The ICP aims to: a) give due recognition and incentives to a company's initiatives to voluntarily comply with labor laws or having implemented a much higher standards with a Tripartite Seal of Excellence on their products and in the establishment; b) assisting a non-compliant company through training and technical assistance to enable it to comply with the requirements set by law, and upon compliance, the establishments and its products shall be given a corresponding certification of Tripartite Seal of Excellence.

The DOLE is now finding ways on how the GM program can be incentivized? This mandate aims to attract the companies to voluntarily comply on institutionalizing at the workplace level an effective GM mechanism that can settle disputes fast, fair and effective. Its splintering effect is directed for both organized and unorganized establishments. *How can DOLE effectively incentivize this program?*

C. Statement of the Problem

How can the Department of Labor and Employment (DOLE) effectively promotes the voluntary compliance on installing a GM mechanism for fast, fair and effective settlement of disputes at the workplace, both for organized and non-organized establishment?

D. Significance of the Problem

Poverty alleviation is one of the major problems that the government is earnestly seeking for a solution. In resolving the problem, the government designed a policy framework agenda entitled, Philippine Labor and Employment Plan 2011 – 2016, for inclusive growth through decent productive work.

For growth to happen, investments are required. For investments to come-in, trust and confidence to the companies should be established. In attaining the trust and confidence, a climate of industrial peace should be earnestly promoted and strengthened. These are the imperatives that the government, more particularly the Department of Labor and Employment (DOLE) needs to address in achieving inclusive growth and development.

One of the key factors in resolving the problem is to attain harmony at workplace level. Conflict and issues arising at work should be resolved simply and swiftly to avoid the disturbance of harmony. Maintaining harmony in the relationship between management and workers creates a crucial effect in the workers' behaviour to perform its significant role in quality improvement, productivity and competitiveness in every business establishments.

Therefore, an effective mechanism that can resolve issues and conflicts fast, fair and effective is a necessity in all business establishments both for organized and non-organized.

For the government to create a domino effect of business compliance, "*Company Models of Best Practices in Dispute Mechanisms*" should be promoted. The best practices in workplace dispute resolutions can be an effective advocacy tools to create splinter-effects to all business establishments of the country. This strategy can be one of the best agenda for social dialogue, towards achieving a positive economic growth and social development at the national level.

E. Objectives

In general, the study aims to document the good practices in dispute settlement mechanism at the firm level, as policy options to maintain harmony at the workplace and enhance social dialogue at the firm level. The promotion of the innovative strategies and practices in workplace dispute resolution are tools in balancing productivity and competitiveness while improving workers welfare and employment conditions to achieve inclusive growth.³ⁱ

Specifically, the study aims to:

- a) Document the experiences of the companies' identified with best practices in workplace dispute settlement;
- b) Enumerate the factors/strategies used by the companies for fast, fair and effective resolution of disputes;
- c) Describe the effect of workplace dispute settlement process in workers behaviour and organizational performance;
- d) Recommend policy options and other best innovative practices in dispute resolution process.

³Chapter 3, Philippine labor and Employment Plan 2011-2016. *"Inclusive Growth –is defined to be sustained growth that massively creates jobs, draws the vast majority into the economic and social mainstream and continuously reduces mass poverty."*

Chapter 2

The Legal and Policy Framework of Grievance Machinery at the Workplace

A. The legal Framework

- **The Constitution**

In the realm of dispute resolution, the State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes of settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace. The State shall regulate the relations between workers and employers, recognizing the right of labor to its just share in the fruits of production and the right of enterprises to reasonable returns to investments and expansion and growth, to wit:

Section 3, Article XIII provides: "The State shall promote the principle of shared responsibility between workers and employers and the preferential use of voluntary modes in settling disputes, including conciliation, and shall enforce their mutual compliance therewith to foster industrial peace."

- **The Labor Code Provisions**

Bipartite Mechanisms involving workers and employers are encouraged in law and in practice, with collective bargaining as the foremost model. Through the years, complementary plant- level modes have developed for purposes of defining workplace relations, dispute prevention and settlement. These mechanisms include among others, grievance machineries (GM), labor management councils (LMC), joint consultative councils (JCCs), and productivity councils.⁴

The Labor Code Provisions as amended by Republic Act 6715 – provides for mandatory use of grievance machinery (GM) as a prerequisite step to voluntary arbitration of disputes arising from CBA interpretation and implementation, as well as those disputes arising from the interpretation and enforcement of company personnel policies. Among its provisions, includes the following:

Article 211 of the Labor Code provides, among others: "... It is the policy of the State ... 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."

⁴ Structures and Frontiers in Dispute Resolution: Policy, Practices and Innovations in Philippine Industrial relations. "Legal Framework and Practice for Labor Dispute Settlement." 2010. ASEAN-ILO/ Japan Industrial Relations Program

- **The Grievance Machinery Program**

Under the first paragraph of Article 255 of the Labor Code, an individual employee or group of employees shall have the right at anytime to present grievances to their employer through established procedures in institutionalized firm level grievance machinery (GM). To wit:

Art. 260 of the Labor Code, as amended by RA 6715 provides: *"The parties to a Collective Bargaining Agreement shall include therein provision that will ensure the mutual observance of its terms and conditions. They establish a machinery for the adjustment and resolution of grievances arising from the interpretation or implementation of their Collective Bargaining Agreement and those arising from the interpretation or implementation of the interpretation or enforcement of company personnel policies."*

*"All grievances submitted to the grievance machinery which are not settled within **seven (7) calendar days** from the date of its submission shall automatically be referred to voluntary arbitration prescribed in CBA. The seven calendar days shall be reckoned from the date the grievance machinery is submitted to the last step in the grievance machinery immediately prior to voluntary arbitration."*

Article 261 provides that, *CBA violations are to be treated as **grievances** instead of unfair labor practice acts except when the violation is gross, meaning it involves flagrant and/or malicious refusal to comply with the economic provisions of CBA.*

To implement the above provision, **Department Order 40-03, Rule XIX** established the procedure of Grievance Machinery and Voluntary Arbitration, which reads as follows:

Section 1. Establishment of Grievance Machinery – *The parties to a collective bargaining agreement shall establish a machinery for the expeditious resolution of grievances arising from the interpretation or implementation of collective bargaining and those arising from the interpretation or enforcement of company personnel policies. Unresolved grievances will be referred to voluntary arbitration and for this purpose the parties to a collective bargaining agreement shall name and designate in advance a voluntary arbitrator or panel of voluntary arbitrators, preferably from the listings of qualified voluntary arbitrators duly accredited by the Board.*

In the absence of applicable provision in the collective bargaining agreement, a grievance committee shall be created within ten (10) days from the signing of the collective bargaining agreement. The committee

shall be composed of at least two (2) representatives each from the members of the bargaining unit and the employer, unless otherwise agreed upon by the parties. The representatives from among the members of the bargaining unit shall be designated by the unions.

Section 2. Procedure in handling grievances – *In the absence of a specific provision in the collective bargaining agreement or existing company practice prescribing for the procedures in handling grievance, the following shall apply:*

- (a) An employee shall present this grievance or complaint orally or in writing to shop steward. Upon receipt thereof, the shop steward shall verify the facts and determine whether or not the grievance is valid.*
- (b) If the grievance is valid, the shop steward shall immediately bring the complaint to the employees immediate supervisor. The shop steward, the employee and his immediate supervisor shall exert efforts to settle the grievance at their level.*
- (c) If no settlement is reached, the grievance shall be referred to the grievance committee which shall have **ten (10) days to decide** the case.*

Where the issue involves or arises from the interpretation or implementation of a provision in a collective bargaining agreement, or from any order, memorandum circular or assignment issued by the appropriate authority in the establishment, and such issue cannot be resolved at the level of the shop steward or the supervisor, the same may be referred immediately to the grievance committee.

- **The Labor Management and Other Councils.**

The Department likewise promote the formation of labor-management councils in organized and unorganized establishments in order for the workers to participate in the policy and decision making processes in the establishment. This was established under **D.O. 40-03, Rule XXI**, as follows:

Section 1. Creation of Labor Management Councils. – *The Department shall promote the formation of labor management councils in organized and unorganized establishments to enable the workers to participate in policy and decision making process in the establishment, in so far as said processes will directly affect their rights, benefit and welfare, except those which are covered by collective bargaining agreements or are traditional areas of bargaining.*

The Department shall promote other labor management cooperation schemes and, upon its own initiative or upon the request of both parties, may assist in the formulation of development and programs and projects on productivity, occupational safety and health, improvement of quality worklife, product quality improvement, and other similar scheme.

In line with the foregoing, the Department shall render, among others, the following services.

- a) Conduct awareness campaigns;*
- b) Assist the parties in setting- up labor management structures, functions and procedures;*
- c) Provide process facilitators upon request of the parties; and*
- d) Monitor the activities of labor-management structures as may be necessary and conduct studies on best practices aimed at promoting harmonious labor-management relations.*

Section 2.Selection of representatives.– *in organized establishments, the workers' representatives to the council shall be nominated by the exclusive bargaining representative. In establishments where no legitimate labor organization exists, the workers representative shall be elected directly by the employees at large.*

B. Economic Realities and Philippine Poverty Index (2#)

c. Integration of GM in the Philippine Labor and Employment Plan (1#)

D. Comparative Grievance Mechanism: Other Countries Experience (3#)

Chapter 3

Conceptual and Analytical Framework

A. Conceptual Framework

Conflict and disputes in all business establishment both organized and unorganized is inevitable. The group of people working and relating to each other for a specific purpose can sometimes clash opinions and ideas in doing a specific task or addressing a specific issues relating to the performance of the tasks. The clashing of opinions and ideas can lead to misunderstandings, loss of trust and confidence in the workplace. The petty and unresolved issues and concerns can affect the behaviour of an individual which can be ripened into disputes and worst, into full blown strike, when left unattended for a period of time. Some prolonged issues and conflicts will results to industrial difficulty in performing its business. Hence, a functional mechanism that can resolve issues and conflicts fast, fair, and effective is necessary for the business to survive, succeed and compete.

The best practices and strategies that the firms are doing in facilitating the settlement of issues and conflicts at the workplace can be highlighted and advocated to trigger its splintering effect to every business establishment. This can be done by documenting the best practices of the companies by geographical location or by regions for both the organized and unorganized establishments. The specific strategies and peculiarities on how the companies resolved their disputes efficiently and effectively should be highlighted and promoted to other companies. This can be made as an advocacy tool for both organized and unorganized establishments for them to voluntarily install dispute settlement mechanism that fits their company's culture and needs. Promoting "*Company Models on Best Practices in Dispute Settlement Mechanism*," can be made geographically, by regional level or by industry.

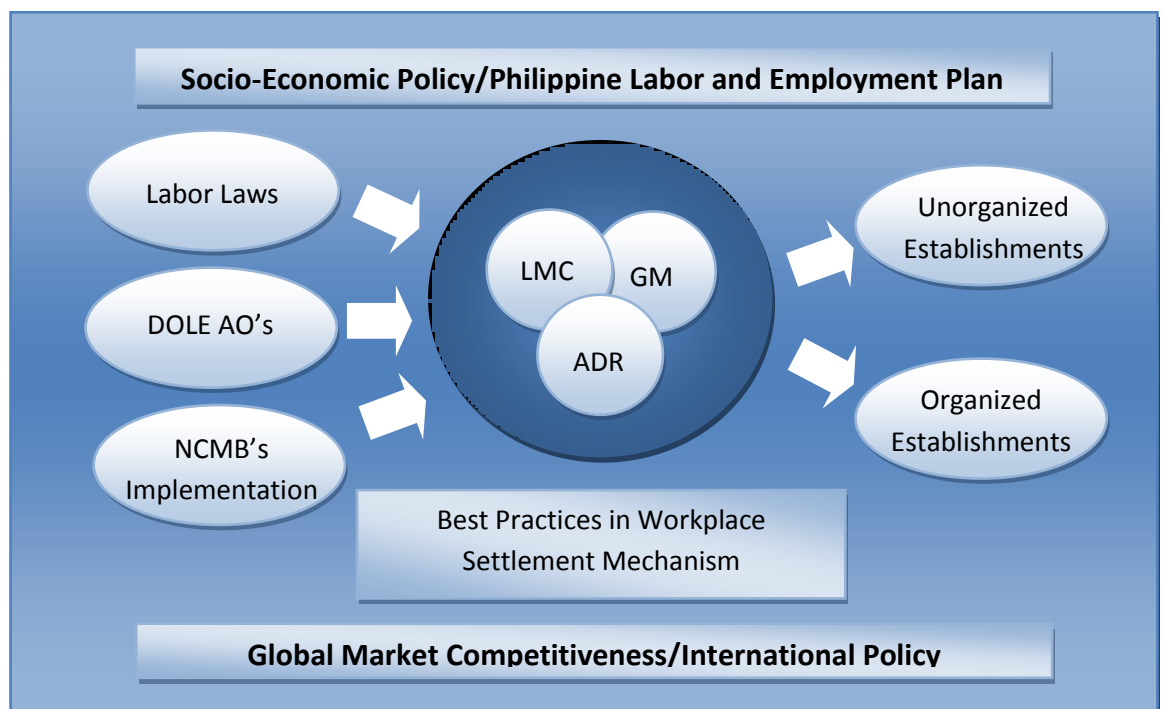
Incentivizing the voluntary installation of this mechanism at the workplace, if taken at the national perspective will create harmony at every workplace. This strategy if taken at the holistic perspective will in turn strengthen industrial peace.

This kind of scenario will in turn strengthen the trust and confidence for investors to put in their money in the country. Establishing a healthy business climate will in turn boost economic growth and therefore create employment opportunities. This is envisioned to achieve the government mission of inclusive growth and developing the country's economy towards achieving its purpose of uplifting people lives.

B. Framework of Analysis

In examining best practices in labor dispute settlement mechanism at the workplace level, the cases of the companies were documented by this study. A simplistic analytical framework seems to follow the interconnectivity of responses of ideas and views of key implementers and the responses of the members in focused group discussions (FGD) who are representatives of workers and management.

The interconnectivity is illustrated as follows:



The manner by which the companies adopt the political and social changes in the world market and the current socio-economic trend of the new administration as designed by the Philippine Labor and Employment Plan (PLEP) created vital changes in the manner of handling dispute settlement process at the workplace. These vital changes make the settlement of conflicts and disputes fast, efficient, fair, and effective. The strategies adopted by the companies are considered as best practices that gained the trust and confidence of the workers and employers in general.

These can effectively affect productivity and competitiveness of the company. These are the key factors of the companies to maintain harmony at the workplace towards attaining industrial peace.

The companies' best practices/strategies when taken collectively can boost the trust and confidence of investors to entrust their money in the country. This in turn can boost the economic growth of the country which has the positive effect to employment. When taken as a whole can be the primary factor that can alleviate the country from poverty.

Chapter 4

METHODOLOGY

A. Research Design

This study is a *qualitative* research. It made use of the *case study method* focusing at the company's best practices in workplace dispute settlement mechanism's or (GM) practices. It covers both organized and unorganized establishments in seven regions of the country. Specifically, the areas covered are NCR, RO III and RO IV-Ain Luzon, RO VII and RO VIII in Visayas and ROX, RO XI and RO XIII in Mindanao. In each DOLE regional jurisdiction. Except in NCR and ROX, two cases were documented representing organized and unorganized establishment.

Primary data were obtained from focused group discussions (FGD) of workers and employers representatives from the company's dispute settlement mechanism and key informant interviews(KI) with the DOLE implementers.

To understand how the DOLE program on grievance machinery process is being implemented at the region, more particularly on the specific regional strategies in monitoring the implementation of GM at the firm level, key informant interviews (KI) were conducted by the research team with the RCMB implementers, more specifically the RCMB directors and technical staff. The regional innovative and ideas on how dispute resolution program can be best implemented at the local level was also examined.

In documenting the company's cases, the members of dispute resolution committees consisting of management and workers' representatives including one or two technical staff from the RCMB were subjected to focused group discussion (FGD).The discussions were concentrated on the process of dispute resolution, focusing on: ***efficiency, voice, and effectiveness***. The facilitating and mitigating factors as well as its impact to organizational performance were also delved with.

The company's profile and their history of disputes settlements were unearthed to understand the lessons learned by the company's in evolving to best strategies and techniques in dispute's resolution and settlement. The suggestions of experts from the field were gathered to highlight *Company Models for Best Practices* for replication by other companies.

The results of this Study will be presented to the ILS Strategic Conversation among the tripartite partners. The company models will be used as policy/advocacy tool to strengthen the social

dialogue pillar of decent work in achieving industrial peace and global competitiveness the firm level.

B. Study Population

- a. Features**– The company cases being studied were the pre-identified by RCMB in seven DOLE- regional offices. For organized companies, the RCMB's manner of choosing include: a) best LMC, b) best Grievance Machinery and c) successful companies at the region without any case record in RCMB.

For the unorganized companies, the manner of choosing are those companies that exhibited good practices and success in operation with big employment size at the region. This study made use on non-probability samples, where the sample companies and respondents were gathered in the process, using purposive and snowball technique.

- b. Company Samples**- The study made use of 16 company samples. Table 1 shows the following features of company samples:

Table 1
**Companies identified with Best GM Mechanism/
Dispute Settlement Practices**

Region	Location	Name of Establishment
NCR	Manila	Unilever Philippines
NCR	Quezon City	Bengar Industrial Corporation
NCR	Valenzuela City	Engelhart Manufacturing Corporation
RO III	Clarkfield, Pampanga	Yokohama Tires Philippines Inc.
Ro III	San Fernando	V.L. Makabali Memorial Hospital
RO IV-A	Sta Rosa Laguna	Aichi Forging Company of Asia inc.
	Rosario Cavite	PTON Corporation
RO VII	Lapu-Lapu	Sports City International Philippines Inc.

	Cebu	
RO VII	Mandaue City	San Miguel Brewery Inc.
RO VIII	Tacloban	Leyte II Electric Cooperative (LEYECO II)
RO VIII	Isabel, Leyte	Phil. Associated Smelting and Refinery Inc., (PASAR)
RO X	Dagumbaan Bukidnon	DOLE Skyway
RO XI	Davao City	San Pedro Hospital of Davao City Inc.
RO XI	Davao City	Phil Japan Active Carbon Corporation
RO XIII	Magallanes Agusan del Norte	Jaka Equities Corporation
RO XIII	Talacogon Agusan Sur	Provident Tree Farms Inc.
TOTAL	16	16

C. Selection of Company Samples

This research adopted three levels of sample selection. The first level was the identification of the geographical locations/regions of the companies being studied. The second level was the identification of company samples and the third level was the identification of the management and workers representatives.

- a. **Geographical Selection**- in choosing the locations, this research made use of *purposive or judgmental sampling*. The regional selections were based from the statistical reports of cases coming from the grievance machinery of the companies filed at the National and Mediation Board (NCMB) from 2005 – 2011, such as: preventive mediation (PM) cases, notice of strike cases (NOS) and experience of actual strikes. The regions that showed the highest incidence of PM, NOS and Strike cases were chosen. Regional selection includes: National Capital Region (NCR), Regions III, IV-A, VII, VIII, X, XI and XIII as shown in the following Tables:

Table 2
No. of Companies with Grievance Machinery (GM) that filed
Preventive Mediation (PM) cases at DOLE-NCMB
2005-2011

Year/ Regions	2005	2006	2007	2008	2009	2010	2011	Total
CAR	13	16	16	13	5	2	9	74
NCR	99	74	94	108	119	56	143	693
RO1	21	10	13	12	5	10	6	77
RO2	2	1	2	4	4	1	2	16
RO3	30	27	20	18	26	21	49	191
RO4	39	46	29	35	50	23/1	55	278
RO5	12	10	7	8	15	7	8	67
RO6	6	11	18	11	22	13	11	92
RO7	2	19	18	12	17	12	21	89
RO8	10	6	5	7	3	2	10	43
RO9	8	5	3	7	3	0	5	31
RO10	12	12	9	12	16	6	27	94
RO11	17	29	32	31	22	14	28	173
RO12	5	6	6	8	11	5	12	53
RO13	5	3	7	8	4	3	6	36
Total	281	275	279	294	322	176	392	2,007

Table 3
No. of Companies with Grievance Machinery (GM) that filed
Notice of Strike (NOS) cases at DOLE-NCMB
2005-2011

Year/ Regions	2005	2006	2007	2008	2009	2010	2011	Total
CAR	5	0	1	3	0	0	4	13
NCR	76	111	90	14	78	50	76	495
RO1	6	5	13	3	7	0	1	35
RO2	0	1	0	0	0	0	1	2
RO3	26	21	15	12	25	19	23	141
RO4	17	16	19	20	21	17	23	133
RO5	0	0	1	2	4	4	3	14
RO6	2	1	4	1	6	3	3	20
RO7	9	13	9	11	13	8	12	75
RO8	9	7	12	0	3	2	2	35
RO9	1	3	2	1	0	0	0	7
RO10	4	5	8	7	4	2	8	38
RO11	5	9	3	5	5	2	5	34
RO12	1	3	1	0	0	0	2	7
RO13	1	1	0	2	4	2	3	13
Total	162	196	178	81	170	109	166	1,062

Table 4
No. of Companies with Grievance Machinery (GM) that had
Experience ACTUAL Strike
2005-2011

Year/ Regions	2005	2006	2007	2008	2009	2010	2011	Total
CAR	1							1
NCR		1		1		2		4
RO1							1	1
RO2								0
RO3	1	1					1	3
RO4			1	1	1			3
RO5								
RO6								
RO7								
RO8								
RO9								
RO10								
RO11								
RO12								
RO13					1			1
Total	2	2	1	2	2	2	2	13

- b. **Firm level Selection** – in choosing the company samples as unit of analysis, this research made use of a *combination of purposive and snowball technique*. The Regional Conciliation and Mediation Board (RCMB) of the regions selected were in-charged in choosing the companies to be examined by the team. The manner of selection includes the following: a) companies awarded with best GM or LMC Practices; b) big companies in the locality with bigger employment component and are recipients of training and livelihood assistance from DOLE; and c) commonly considered as successful companies in the region but with no records of cases filed in RCMB.

- c. **Selection of workers and employers' representatives**- as members of the Focused Group Discussion (FGD) and Key Informants (KI) respondents – in choosing the members of the FGD members/discussant, this research made use of *quota sampling*, where the companies Human Resource Manager (HRM) pre-identified the representatives of workers and employers who are also members of their LMC, GM, IR and other committees involved in settling dispute at the workplace level. In each company, there were less than ten members of an in-depth discussion.

D. Instrumentations and Data Collection

Key Informant Interview (KI) - The primary data was obtained from interview of the key informants from the regional conciliation and mediation board (RCMB). The RCMB's approaches and implementation of GM procedure as mandated by the Labor Code and its implementing rules as well as the Department Order in Incentivizing Best Practices mechanism in dispute settlement were examined at the regional level.

Focused Group Discussion (FGD) - an in depth discussion on the company's initiatives, strategies and practices in installing a dispute resolution mechanism towards fast resolution of workplace conflicts/disputes were documented. The best approaches and strategies used by the company for fast and effective resolutions of conflicts at the workplace were highlighted.

As to the workplace dispute resolution procedure, the GM Committees or the representatives of workers and employers were engaged. The manners by which the members of the committee handle the grievance procedure process/dispute resolution at their workplace were discussed. Their personal experiences and insights were prodded to document the efficiency, fairness and effectiveness of the mechanism in handling the dispute resolution process. The contributory

facilitating and mitigating factors were also discussed. How the grievance mechanism can boost the organizational performance and improve the behaviour of an individual worker in achieving company's organizational goal was also examined. The suggestions of experts from the field were gathered to highlight *Company Models for Best Practices* for replication by other companies.

Strategic Conversation/Working World Trialogue (WWT)- The results of the case studies/ company models for best practices will be presented to the ILS Strategic Conversation among the tripartite partners. The company models will be used as policy/advocacy tool to strengthen the social dialogue pillar of decent work in achieving industrial peace and global competitiveness the firm level.

Secondary data were culled from other papers, reports and statistics obtained by National Conciliation and Mediation Boards, DOLE Regional Offices and other similar studies.

E. Data Analysis

This study focused its review on the workplace dispute resolution procedure /usage and operations of the companies with best practices. It examined the companies' strategies and process of resolving their disputes at the workplace focusing on the mechanism's efficiency, voice and effectiveness. The facilitating and mitigating factors that contributed in dispute resolution were identified. Other innovative ideas for dispute prevention as well as fast resolutions of conflicts were unearthed.

To understand the implementation of DOLE Grievance Machinery program at the workplace, an interview with the implementers at the region were conducted.

F. Scope and Limitations

The documentation of best practices on workplace dispute resolution only covers seven regions of the country, three in Luzon, two in Visayas and two in Mindanao namely, NCR, Regions III, IV-A, VII, VIII, XI and XIII. Two company samples were examined in each region except NCR. The NCR company sample was taken from previous study in 2011.

Key informant interviews were only limited to six regions and not to all RCMB in 15 DOLE regional offices. The implementers at Regional Conciliation and Mediation Board of six DOLE regions were interviewed by the research team to understand the effectiveness of the grievance machinery program's implementation at the regional level. Likewise, the team examined if the new DO 115 on incentivizing grievance machinery program is a welcome idea and adoptable to the companies. The regional initiatives that will best fit regional cultural differences are also unearthed by the study.

Chapter 5

Results and Discussion

I. Exploring Policy Option-

The research team tried to explore workplace dispute settlement strategies and experiences in 16 companies, five (5) of which are large corporations and major contributors in the industry where they belong, eleven (11) are medium corporations, having 24,439 workers. It covers eight (8) major industries. Geographically, the cases are coming from eight (8) different regions; three (3) regions in Luzon, two (2) in Visayas and three (3) in Mindanao. Table 4 shows the samples general information:

Table 4
Companies identified with Best Dispute Settlement Mechanism Best Practices
by
Regional Conciliation and Mediation Board

Region	Location	Name of Establishment	Company Profile			Respondents Profile			
			Cls f.	Union No Union	No of Workers	ER's Rep.	EE's Rep	M	F
NCR	Manila	Unilever Philippines	L	Yes	1,000+	2	1	3	1
NCR	Quezon City	Bengar Industrial Corporation	M	No	180	2	2	2	2
NCR	Valenzuela City	Engelhart Manufacturing Corporation	M	Yes	100	3	1	1	3
RO III	Clarkfield, Pampanga	Yokohama Tires Philippines Inc.	L	No	2,100	2	2	4	0
Ro III	San Fernando	V.L. Makabali Memorial Hospital	M	Yes	206	1	2	2	1
RO IV-A	Sta Rosa Laguna	Aichi Forging Company of Asia inc.	M	Yes	267	2	2	4	0
	Rosario Cavite	PTON Corporation	M	No	141	2	3	2	3

RO VII	Lapu-Lapu Cebu	Sports City International Philippines Inc.	L	No	16,000	1	1	2	0
RO VII	Mandaue City	San Miguel Brewery Inc.	L	Yes	306 (MB)	2	2	4	0
RO VIII	Tacloban	Leyte II Electric Cooperative (LEYECO II)	M	Yes	166	2	3	1	4
RO VIII	Isabel, Leyte	Phil. Associated Smelting and Refinery Inc., (PASAR)	L	Yes	1,000+	1	2	3	0
RO X	Dagumbaa nBukidnon	DOLE Skyway	M	Yes	-	2	4	4	2
RO XI	Davao City	San Pedro Hospital of Davao City Inc.	M	Yes	758	2	4	0	6
RO XI	Davao City	Phil Japan Active Carbon Corporation	M	Yes	150	1	2	3	0
RO XIII	Magallane s Agusan del Norte	Jaka Equities Corporation	M	No	1,860	2	5	2	5
RO XIII	Talacogon Agusan Sur	Provident Tree Farms Inc.		No	205	2	6	3	5
TOTAL	16	16	L-5 M- 11	Y-10 N- 6	24,439	29	40	37	32

1. General Profiles

- a. *Industry Distribution.* The 16 cases under study specifically came from the following sectors: a) two (2) automotive industry; b) three (3) plastic manufacturing industry – two (2) came from plastic/pipes manufacturing and one (1) plastic computer chips manufacturing; c) two (2) hospital services industry; d) one (1) brewery industry; e) one (1) garment industry; f) one (1) mining industry; g) one electric services industry; h) four(4) agricultural industry – one (1) charcoal manufacturing, two (2) match factory, one (1) banana plantation.

Three of the sample cases are from *essential services industries*, two (2) in hospital services and one (1) electric service. Table5 shows industry distribution of 16 cases.

Table 5
Industry Distribution of 16 Cases

Case No./Code	Regional Location	Company Coding	Industry
LUZON			
01	RO IV-A	Company A	Automotive Industry
02	ROIII	Company B	Automotive Industry
03	NCR	Company C	Personal Care Manufacturing
04	NCR	Company D	Plastic Manufacturing
05	NCR	Company E	Plastic manufacturing
06	RO IV-A	Company F	Computer Chips Manufacturing
07	RO III	Company G	Hospital Services
VISAYAS			
08	RO VII	Company H	Brewery Industry
09	RO VII	Company I	Garments Industry
10	RO VIII	Company J	Copper Mining Industry
11	RO VIII	Company K	Electric Services
MINDANAO			
12	RO XI	Company L	Hospital Services
13	RO XI	Company M	Agri/ Charcoal Manufacturing
14	RO XIII	Company N	Agriculture/ (Match factory)
15	RO XIII	Company O	Agriculture/(Match Factory)
16	RO X	Company P	Agriculture (Banana Plantation)

b. *Geographical Distribution.* The geographical distribution of 16 cases are:

* (INSERT HERE PHIL MAP WITH LOCATOR POINTS)

- Luzon – there are seven (7) cases of companies from Luzon, (coded as Company A-G), distributed as follows:
 - a) Three (3) from National Capital Region (NCR), more particularly it came from Manila, Quezon City and Valenzuela City;
 - b) Two (2) from RO III (Central Luzon), in Clark Special Zone in Pampanga and San Fernando City; and c) two (2) from RO IV-A (CALABARZON), in Sta. Rosa, Laguna and CEZ, Rosario, Cavite.
- Visayas – four (4) cases came from Visayas, (coded as Company H-K), distributed as follows:
 - a) Two (2) from RO VII (Central Visayas), particularly, in Lapu-lapu City and Mandaue City;
 - b) Two (2) from VIII (___ Visayas) in particular, Tacloban City and Isabel Leyte.
- Mindanao – five (5) cases came from Mindanao, (coded as Company L-P) area:
 - a) Two (2) from ROXI (Davao), both samples came from Davao City;
 - b) Two (2) from RO XIII (CARAGA) In particular, it came from Magallanes, Agusan Del Norte and Talacogon, Agusan Del Sur;
 - c) One (1) from RO X (Cagayan De Oro), in Dagumbaan, Bukidnon.

c. *Company Size.* In 16 cases being examined, five (5) are from large establishments with employment size ranging from 1000+ to 16,000 workers and eleven (11) are from medium size establishment with employment size ranging from 100+ to 800 workers.

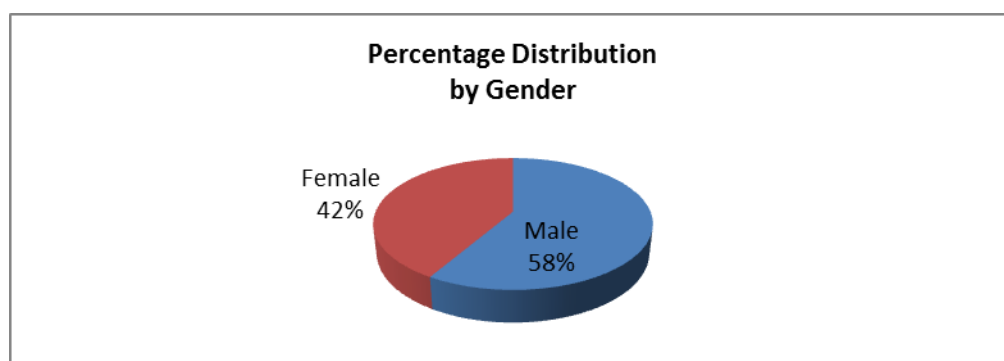
- d. Workers Organization.* Out of 16 cases, ten (10) are organized with existing Collective Bargaining Agreements (CBA), while six (6) are non-organized. Except for one(1), fifteen (15) have an installed grievance machinery (GM) program. The company with no GM has new innovations in settling its disputes. Eleven (11) of them have installed and functioning Labor Management Cooperation (LMC); while four (4) organized establishment have no LMC. Those with no LMC opined that it is not necessary, because they have functioning GM.
- e. Respondents Profile.* Of 16 cases under studied, Table shows the FGD members- discussants profile:

Table 6
Distribution of Respondents
Workplace Dispute Settlement Mechanism
Members of Focused Group Discussion (FGD)

Case No.	Code	Employer's Rep	Employees' Rep.	Gender Component	
				Male	Female
01	Company A	2	2	4	0
02	Company B	2	2	4	0
03	Company C	2	1	3	0
04	Company D	1	2	1	2
05	Company E	2	2	1	3
06	Company F	2	3	1	4
07	Company G	1	2	1	2
08	Company H	2	2	4	0
09	Company I	1	1	2	0
10	Company J	1	2	3	0
11	Company K	2	2	1	3
12	Company L	1	3	1	3

13	Company M	1	2	3	0
14	Company N	2	4	2	4
15	Company O	2	5	3	4
16	Company P	2	4	4	2
Total		26	39	38	27

At the company-level, sixty-five (65) respondents are members of dispute settlement mechanism panel. Employers have twenty six (26) representatives while the workers have and thirty nine (39) representatives. As to gender, there were thirty eight (38) males and twenty seven (27) females respondents. Figure 1, shows its percentage distribution.

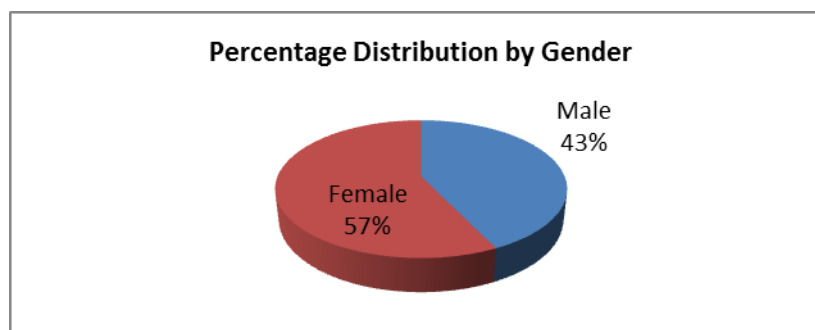


On the government side, a total of twenty one (21) key informants participated in this research study, consisting of nine (6) RCMB Directors, (3) Field Directors, one (1) DOLE regional Director and eleven (11) Technical staff. Of which twelve (12) are females and nine (9) are males. Table 8 shows the details of KI profiles.

Table 7
Distribution of Key Informants
DOLE- Regional Conciliation and Mediation Boards

DOLE RO's	DOLE Position	Male	Female	Total
NCR	Fied Director (Manila)	1		1
	Field Director (Quezon City)		1	1
	Field Director (CAMANAVA)		1	1
	Technical Staff		1	1
RO III	RCMB Director		1	1
RO IV-A	RCMB Director	1		1
	Technical Staff		2	2
RO VII	RCMB Director	1	1	2
RO VIII	RCMB Director	1		1
	Technical staff	1		1
RO X	Pilot Region		1	1
RO XI	RCMB Director	1		1
	Technical Staff	1	2	3
RO XIII	RCMB Director	1		1
,	DOLE Director	1		1
	Technical Staff		2	2
Total		9	12	21

As to gender component, 9 are males and 12 are females. Figure 2 shows its percentage distribution:



2. History of an adversarial Labor Dispute Experience

In general, out of 16 cases, nine (9) companies had previous adversarial labor disputes problems. Eight (8) of the companies are unionized and one (1) is now non-unionized, but formerly unionized. It was observed that the adversarial labor disputes experiences happened during their Collective Bargaining negotiation. See Table 8.

Table 8.

Companies with Adversarial Labor Disputes Experience

Company Code	Industry	Union/ No Union
LUZON		
Company A	Automotive Industry	Unionized
Company C	Manufacturing Industry	Unionized
Company E	Manufacturing Industry	Unionized
Company G	Essential Hospital Service Industry	Unionized
VISAYAS		
Company J	Mining Industry	Unionized
Company K	Essential Electric Service Industry	Unionized
MINDANAO		
Company L	Essential Hospital Industry	Unionized
Company M	Agri – Manufacturing Industry	Unionized

Company O	Agri-Manufacturing Industry	Non-unionized/ formerly Unionized
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In **Luzon**, four (4) cases of companies affected are unionized establishments, which belongs to: one case (1) in an automotive industry, (*Company A*); two (2) cases in manufacturing industry (*Company C and E*); and one (1) hospital industry(*Company G*).By regions and by industry experiences of the companies in Luzon revealed the following:

In RO IV-A, Company A, encountered a heavy labor dispute experience from 2007 -2009.Its union filed two notices of strikes with the NCMB-DOLE. The labor dispute of an automotive company was assumed by the Secretary (AJ) in 2009. Both management and union were directed cease and desist from taking any action which may aggravate the situation. Labor dispute was completely settled in 2010. Upon resolution of the case, both unions and management learned lessons and insights from their AJ experience.

In NCR, Company E, a plastic manufacturing company had almost an experience actual strike (slow down) for almost eight months. During that volatile situation, its production was transferred to other site for the company to exist and stay in the market. While, Company C, a multi-national personal-care manufacturing company, which is servicing 181 countries worldwide also had a share of legal and adversarial labor disputes experience in hurdling their termination cases in NLRC. Company C encountered termination cases problem because of the shift of approach in management strategy from human-centered to contract-centered.

In RO III, Company G, an essential hospital service industry, likewise experienced adversarial labor disputes during their CBA negotiation. Its union experienced unfair treatment with the management forcing them to be transferred to other divisions while the hospital strengthened their security by changing and adding security guards. Situation only pacified upon the change of its President and change of management style. The company also changed all their security guards.

In contrast, the three cases of non-unionized establishments in Luzon, have no adversarial labor disputes experience. They have peace and harmony in their respective workplaces with considerable productive growth and success.

In **Visayas**, two (2) cases of unionized establishments had encountered volatile labor disputes experiences. One (1) belongs to a big mining industry in the Philippines (*Company J*), while the other one (1) came from essential electric service industry (*Company L*).

In Region VIII (*Tacloban*), *Company J*, a big mining industry, had experienced the biggest blow of adversarial labor disputes problems. It had an experience of militant unionism from 80's to '90's. During those periods, its union had changed its federation from ALU to NAFLU to KMU. From 1987-1999, the union had staged six strikes, where the company suffered a serious loss amounting to P499,459,327.00.

Another case of sad labor dispute was experienced by *Company L*, during their CBA negotiation. The company have two unions, one (1) independent supervisory and one rank and file union which is affiliated with ALU. One of their memorable strike happen in 1994 which caused office reorganization. It was only in year 2000 where reforms were introduced by the management like the change leadership style and approach hence, sunrise in industrial relations have seen in Region VIII.

In contrast, the two (2) cases examined in Region VII (*Cebu*), have no labor dispute experience. *Company H* and *I* are maintaining harmonious relationship in their respective workplaces. *Company H*, a big brewery in the Philippines key to their stable labor management good relationships for more than thirty years is its union itself. *Company H* union is characterized by maturity, responsibility with moral ascendancy and paternal attitude. Its officers are pioneered of the company and have been with the company since its inception. The union officers exude *malasakit* and sense of ownership, the behaviours that are respected by the management.

Likewise, *Company I*, a big multi-national garments industry has new and innovative ways of maintaining harmony at their workplace by using new technologies as their management's sounding board. *Company I* have a centralized "hotline communication system" available to all the workers. The management can resolve any issues, conflicts and problems might arise through internet fast and swift.

In **Mindanao**, three (3) cases had encountered adversarial labor dispute problems. Two (2) cases are unionized and one (1) non-unionized but formerly unionized. By industry, two (2) belongs to agri-manufacturing industry, while the other one (1) belongs to an essential hospital service industry. Specifically, workplace dispute experiences in the regions revealed the following:

In Region XI, (*Davao*) both cases of organized establishments had previous labor dispute problems. Company M, a unionized agri-manufacturing industry had an experience of hostile labor unions where mobs and strikes were frequent occurrence especially, during CBA negotiations. In Company L, an essential service hospital industry, also had a share of adversarial labor dispute settlement which was certified to National Labor Relations Commission (NLRC) for compulsory arbitration.

In Region XIII, (*CARAGA*), Company N, a non-unionized agri-manufacturing industry, the company had previous blows of adversarial labor dispute settlement. However, the company had changed ownership and now metamorphosed itself into a new management. The company have new set of workers. Its former labor officers were removed, and now the company has become non-unionized.

In contrast, in the case of Company O, a unionized establishment has no record of labor disputes experience. The company's union president is the datu of the tribe who has moral ascendancy in the Manobo community within the locality where the company is located. It is also a recipient of RCMB award as one of the best grievance machinery. .

3. Productivity Loss due to adversarial Labor Dispute Experience.

In **Luzon**, out of seven (7) cases being examined, Company A, the case of unionized automotive industry in Region IV-A suffered the biggest slump in productivity reduction due to labor disputes problems. For three years, 2007 – 2009, its productivity drops from 30-60%. The management's estimated that production slowdown and picketing resulted to an estimated 10% drop of productivity per hour. When translated in money terms, this drop in productivity amounted to substantial loss in the company. This also resulted to withdrawals

of one major automotive parts, which is being supplied by the company in different countries worldwide. The workers slowdown could have paralyzed production, thereby cause delay in the delivery of auto parts in 36 countries worldwide. This negatively affects the supply chain of automobile production not only in the Philippines, but also in parts of Asia, and as far as South Africa.

This situation did not only affect the supply of automobiles but more importantly, the livelihood of workers both in automobile industry and the informal economy dependent on it. Moreover, automobile industries work stoppage would adversely affect the country's export industry. Since the company is unionized, it has an established Grievance Machinery (GM).

In contrast, Company B, a non- unionized automotive industry in Region III has double its production capacity and now in the process of expansion. Company B was able to establish the trust and confidence of its mother company in Japan. The company is able to double its production, making the company a major supplier of reliable tires that supply products in Europe, Middle East, Asia and America. The company is on process of operation expansion thus acquiring 22.8 hectares of land for its manufacturing sites. Thereby, generating bigger employment and improving the lives of the locality. The company was able to gain the trust of both investors and the workers as well through company initiated cash incentives, welfare services and programs facilitated through their Labor Management Council (LMC).

In **Visaya's**, out of for (4) cases being studied, Company J, a case in mining industry in RO VIII suffered the biggest blow of productivity loss during their dark labor disputes problems. The mining company has been noted for the incidence of militant unionism. The union was engaged in radical steps and activities including strikes, production slow down and delays, plant disruptions and work stoppages. The six series of strikes that took place from 1987-1999 amounted the government a serious loss of P499,459,237.00 in revenue. Company J is a major contributor to economic growth in surrounding communities in southern Leyte.

In contrast, with Company H and I, the two (2) cases being examined in RO VII had no showing of productivity loss. In fact, the respondents noted considerable productive growth in their production as evidenced by the company's success being the major employment generator in the region. However, no data was given to quantify their

productive growth. Both cases had no experience of adversarial labor disputes settlement. The management strategy in settling disputes mechanism is through the use of unstructured, informal and very fluid communication system in settlement of issues and problems at the workplace.

In **Mindanao**, out of five (5) cases being examined, Company N, a Davao's agri-manufacturing industry suffered the biggest blow in productivity. The company had an experience of hostile militant union, where every CBA negotiations were characterized by strikes and mobs. Productivity losses were due to work stoppages, production delays and slowdown. Company M, a case of essential hospital service industry likewise suffered a considerable loss during their legal and adversarial dispute settlement experience.

4. The Transition Phase.

Major Transformation in Management Leadership and Strategies.

The nine (9) cases who had suffered serious blows in labor dispute relations were able to transform their organization into company Models of Best Practices in Labor Dispute Settlement Mechanism. The lessons learned out of that experience were able the companies to transform into models of harmony and peace by changing their management leadership and strategies.

a. Luzon Cases

- *In Luzon, the companies transformation in strengthening harmonious relationship at their workplaces and resolving any conflict immediately includes: a) change of management behaviour and strategy from close to open management policy; b) transparency in business transaction; c) open communication and dialogue with the workers; d) going down to the level of the workers' by seeking workers opinion and ideas on issues and problems at the workplaces both administrative and operational.*

In a case of automotive industries, Company A learned its lessons after their labor dispute experience. There is a change in leadership style when the company suffered serious loss which almost paralyzed production and lost orders in one major auto parts due to delays in the delivery to clients. The company prompted to change its management strategies and the unions to become responsible. In 2011, the President of the company started to implement an open

door policy. The President went down to the level of workers, started the communication channels and become transparent in their business activities.

He made a policy of talking with the workers two days in a week. All issues big and small surfaced during the workers conversation are automatically acted upon by the President, thus regaining the trust and confidence of unions. Regular monthly meetings are held monthly to discuss the company's issues and concerns as well as the proposed solutions. The workers started to be open and transparent. Mutual cooperation and trust are regained.

In the case of manufacturing industry, in Company E, during the months that the workers were picketing outside, the managers were forced to enrol themselves at UP SOLAIR to understand the intricacies of labor and industrial relations in relation to the labor disputes that the company was facing.

The company likewise seek DOLE assistance as well as the local government unit intervention to remedy their labor-problems. The problem was settled, through continuous dialogue with the workers through the help of DOLE and LGUs. The management opened their minds to the new developmental solution and strategies to be employed inside the workplace. The owner of the company went down to the level of the workers make regular rounds at the workplace, and immediately settled issues and operational problems.

In the case of essential hospital services industry, Company G; the change of management and the fresh CBA negotiation in 2006 prompted both parties to have a change in heart and strategies. There was a change in management style and behaviour. An open door policy by the management was established. Management lowered down to the level of the workers, entertained informal talks and casual openness. Through open communication system, management started to regain the trust of the workers and openly giving feedbacks and suggestions both in administrative and operational problems. Petty issues and problems are now settled automatically by the management.

b. Visayas Cases:

- *In Visayas, the transformations from volatile militant-labor dispute relation to company model of best practices and advocacy for industrial peace and harmony are characterized by: a) change of leadership style and proactive people oriented management approaches ; b) shifting of workplace dispute settlement procedure from formal to informal way; c) open dialogue and continuous communication through labor management cooperation; d) strengthening labor education seminar; and d) creation of Industrial Relation Department, to handle pre-grievance issues and concern.*

In Visayas, two (2) cases who suffered serious production slump, due to labor disputes. Cases are from mining industry and essential hospital service industry.

In the case of mining industry, Company J was able to transform itself from 30 years of labor unrest into a model of best practices in Industrial Peace and Harmony. The company is now sharing its experiences and new strategies to other companies.

Company J transformation was attributed to the change of management, from state-owned to privately owned corporation due to privatization in 2000. With the change of ownership, there is also a change in leadership style and management approach. Foremost of which is the creation of Industrial relation (IR) department to address problems and issues. IR serves as *pre-grievance trouble shooting mechanism*. IR is created per department, per line agencies so that they could interact more with the workers. The IR team serves as *pre-grievance- trouble shooting mechanism* for fast resolution of any conflict before it will ripen into grievance. There is now a faster and more open line of communication between workers and management. The IR team has cultivated a culture of sincerity, trust and strengthened relationship between workers and management. New corporate core values of *fairness, teamwork, integrity, malasakit and excellence* are ingrained through series seminars, empowered coaching, open dialogue.

On part of the workers, their union disaffiliated with the federation and is now independent union. They decided to transform themselves into responsible union after experiencing series of setbacks from different federations. As a result, good relationship of partnership and cooperation between management is being developed. The independent union is now in better position to dialogue with the management. Issues and concerns are now addressed immediately, in

case of major violations, pre grievance procedure settlement only takes three sessions.

Today the company takes the lead in advocating industrial peace and harmony to their small brothers companies.

In another case, Company L leadership transformation happened after the signing of their CBA in 2012. The workers become cooperative with the increased in benefits as mandated by new CBA. The union had an agreement with the management to be partners in boosting their financial standing. With the fresh CBA, management and union develop partnership. The company shifted from formal to informal way of resolving disputes. Their issues and problems, even major offenses are now easily resolved through their *informal pre-grievance machinery tools*. As a result, the organization exhibit harmonious and peaceful relationship.

c. Mindanao Cases

- *In Mindanao, the major transformations of companies are characterized by: a) change of leadership, change of ownership, c) shift in management behaviour and strategies from merely administrative to humane and compassionate management. Likewise, the installation of labor management cooperation (LMC) in three companies with the help of DOLE training assistance in promoting LMC's , grievance handling and other labor education program helps the companies to mature and transform itself into a more mature and open management strategies.*

In company M, their experience in legal and adversarial procedures in NLRC had thought both the management and union lessons to change for the best. For the management, there were behavioural adjustments made in dealing with workers, from simply administrative process to more humane, open and compassionate way. The needs are met, and decisions are shared. The President shares that the key to harmonious and peaceful relationship in their company is the Christian way of humane treatment and Christ-like attitude of leadership (witnessing). This kind of leadership gained not only trust but more so love and dedication of the workers to share themselves and work with passion in achieving the company's mission and vision.

In Company N, its previous experience with hostile and militant-labor union plus the pressure in export industry caused the owner of the company to change its leadership. The new Japanese President who was well educated and trained was able to introduced new kind of

leadership to the company. The new management use "*family approach style of leadership*" where their employees are considered the primary factor in the success of the business and therefore the primary management responsibilities.

The management started to satisfy the employees' basic needs and extend assistance in times of workers and family members adversaries and hospitalization. Disputes are now settled smoothly through friendly and fluid negotiations. The new leadership believe that an open conflict in any form cause losses to the company and therefore every effort must be executed to resolve the conflict. The President exerts extra effort to know his employees, befriend with them and understand their problems.

In Company O, the transformation of the company is marked by new ownership and leadership. The new management of the company do away with the old adversarial procedures by separating the union officers and doing away with union. The company is now non-unionized. The closure of the old company after an adversarial labor disputes had thought the new ownership lessons that develop the company into more matured and careful. New and developmental management approaches are being introduced. There are now workers involvement in drafting of company's core values, series of training and value formation were held. The new management has now a well established Labor Management Councils (LMC) as well as functioning grievance committee. DOLE programs and support services are also well provided by the Regional Conciliation and Mediation Board (RCMB).

5. The Workplace Dispute Settlement Models of Best Practices

a. Usage and Operations of Dispute Settlement Mechanism

In general, of 16 cases of companies under study, the dispute mechanism at the workplace is characterized in three tiers: first, the *dispute prevention strategies*; second, the *pre-grievance trouble shooting strategies*; and third, the *grievance procedure/dispute resolution process* in case of major infractions, as shown in Figure 3.

Figure 3. Three Tiers of Workplace Settlement Mechanism

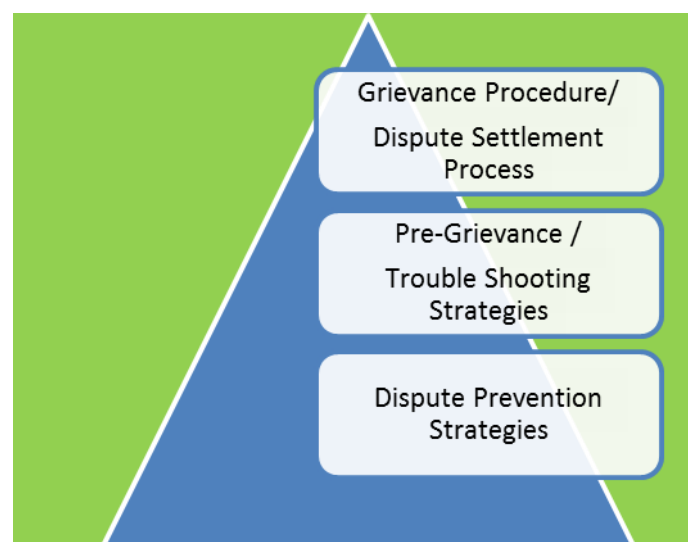


Figure 3 shows how the companies are resolving workplace disputes at the company level.

- A. ***Dispute Prevention Strategies.*** - is the first tier observed at the workplace dispute settlement mechanism. It is the primordial concern of the company and occupies most of the management strategies. The focus is to maintain peace and harmony at the workplace.

From the 16 cases being studied, the companies' responses are more focused on *dispute prevention strategies*. Among the best practices mechanism employed by the companies, which were surfaced in the focused group discussions at the firm level, includes the following:

- a. *Open communication system* – a shift in management strategies, where the President or the chief executive of the company goes down to the workers level was observed. An open door

policy using proactive attitude in surfacing issues and problems, gaining workers trust and confidence as well as giving immediate solutions to workplace issues and concerns are healing process introduced by the transformed management to the workers who had suffered adversarial legal remedies. Informal discussions during breaks, company activities like sports tournament, informal gatherings or simple "*barkadahan system*", helps the management to understand more the workers insights. Informal sharing of views and immediate counselling in a fluid and

candid manner is a management call. Using new technologies in channelling an open communication system helps the management to understand and resolve both administrative and operational concerns fast and swift and effective;

- b. *Satisfaction of workers needs and immediate family concerns or "Family Approach"*—a management with a heart for labor strategies and family approach management are effective dispute prevention modalities where the Filipino culture of "*malasakit*" is embedded in the core values of the workers. The employers' strategy of becoming more generous to the workers needs and satisfaction of their immediate concerns like acting as a "*good father of the family*" strategy develops a sense of loyalty and builds strong relationship with the workers. The workers on the other hand owe gratitude and respect to the company and its leadership this kind of behaviour is integrated in the Filipino culture of "*utang ng loob*". The strategy of integrating Filipino family values and culture helps the management to strengthen workers loyalty to the company. By touching the "core value" of Filipino workers, the leadership were able to exert from the workers hard work and dedication to duty, thereby pushing productivity output. Another best strategy introduced by the Company A, is becoming more generous to workers needs by putting cash incentives and rice benefits to any workers suggestions, ideas or minor observations at the workplace that might affect the production process as well as peaceful relationship at the workplace. This strategy saves the company a lot in operational expense. Immediate checking of its premises and minor infractions both in human relation and operational concerns are preventive measures that can be surfaced by the management immediately.
- c. *Humane treatment and mutual respect* – workers, no matter how lowly they might be, are human with dignity. Therefore they should not be treated objectively but humanely. This

management behavioral-change would spell the workers' commitment and dedication to work harder in meeting the company's productivity target and quality assurance. This kind of leadership behavioral transformations are lessons learned from the hard knocks of workers aggression in the past.

- d. *Regular meetings, training seminars and knowledge sharing* – general monthly meeting strengthen social dialogue at the workplace. The manner of involving the workers in company's policy decision making process creates the workers' sense of ownership to the company. During discussion of issues and concerns the manner of getting the workers ideas and inputs in resolving issues created trust and confidence among workers and develop mutual respect. Likewise, DOLE training programs can help the companies in strengthening the workers awareness in labor laws, human and labor relations. Knowledge sharing among peers helps the company to raise the level of workers awareness in troubleshooting at workplace' administrative and operational concerns.
- e. *Integration awareness to the company's vision, mission and core values* -At the workplace, both workers and management should fully comprehend the company's vision, mission and core values. This shared principle can be ensconced in every phase of company's activities and procedure. Moreover, it should be visible anywhere in company's premises. This strategy helps the actors at the workplace to absorb the company's principles internally. This will develop the workers self-esteem and company's pride.
- f. *Inclusion of the family members (wife) in the cooperative and livelihood welfare program and corporate social responsibilities* - This management strategy helps the family in augmenting the workers' income. Thereby, helping the family to find solution to family's financial problems like educational allowance of their children. In return, involving workers family members in doing the company's corporate responsibilities will develop the company's social consciousness within the locality.

B. *Pre-Grievance / Trouble Shooting Strategies.* – *this second tier occupies second priority of management concerns at the workplace dispute settlement mechanism. Exhaustion of this tier through creative and innovative approach remains the focus of the management strategy to prevent issues and conflicts to ripen into formal complaint of grievance.*

In case of major issues and problems that will results in the filing of grievance, a pre-grievance procedure or trouble shooting strategies including counselling were being exhausted at the workplace. Out 16 cases being studied, the best pre-grievance/ trouble shooting strategies employed by the companies identified includes the following:

- a. In Company H, "*Kwentuhan sa Manggahan*" is an informal trouble-shooting process being employed. If conflicts and problems arise, both the management and labor leaders will converge at the *manggahan* during breaktime to discuss the issues at hand. Informal, fluid and candid dialogues of concerned small groups helps a lot in resolving issues swiftly before this will ripen into formal disputes.
- b. In Company J, the Industrial Relation Division (IRD) was created to act as a pre grievance trouble shooting mechanism of the company. The IR group are installed per department and per line operation management with Board members to interact more with the workers. The IR team converge and discuss issue, causes of problems, violations and the process of discipline. The team likewise solicit information and ideas like disciplining measures and the process of resolving the problems. Open communication and social dialogue at the firm level is very much active. The workers and the management converge arrange small meetings to discuss the best ways and means to resolve the problems fast and effective without resorting to legal GM procedures.
- c. In Company I, the creation of *Company Hotlines* resolves issues and conflicts very fast and swift. It's a company website designed for the workers in airing their problems, issues and concerns. The management concern acts swiftly and automatically, without resorting to the actual grievance procedure. This site is open to the company's line management both local and international as well their international worldwide clients.

Swift and fast resolution of any issues helps the company to maintain smooth labor-management relations thereby gaining the trust and confidence of their international counterparts.

- d. Regular meetings/ monthly general assembly – in other cases, respondents explained that during the regular Labor Management Council (LMC) Meetings, one of the regular agenda is the voicing out of issues, problems and concerns affecting harmonious relationship. Minor issues and concerns can be resolved automatically during the meeting. Other unresolved issues can be submitted to LMC Officers for investigation and counselling.
- e. Employer open door policy –the rest of the cases employed an open door policy. The workers are free anytime to talk to the employer or to the manager in any issues and problems at the workplace. The President's door is open to anybody and management always made an impression that any worker is free to have a dialogue with the President. The management made them feel that their problems are the primordial concern of the company any grievance encountered can be communicated directly to the President of the company or to the HR managers for immediate and fast solution.
- f. HR Clinic – In Company F, the company is now formulating the plan to have an HR clinic, wherein every worker with issues, problems, concerns at hand can just drop to the HR clinic for consultation, dialogue and counselling.

- C. ***The Workplace Dispute Settlement Process.***— *is the third tier, which occupies the least of management priority. The processing of grievance through the legal mandate under the Labor Code is only done by the companies as last resort settlement process inside the workplace. At the workplace, companies under study are trying to avoid the formal and structure process of settling grievance. Instead, companies are resorting to informal and unstructured way of settlement.*

a. *Toward Exploring Policy Option*

Under the law, the process of workplace dispute settlement is through Grievance Machinery (GM). The Grievance Machinery (GM) procedure is mandated in every CBA of a unionized establishment. Out of 16 cases, there are eleven (11) unionized companies that have an installed GM at the workplace. However, at the workplace settlement process, are the unionized companies still using the GM procedure as mandated by law? Are the companies find this process effective?

Under Article 260 of the Labor Code, as implemented by Section 2 of the procedure in handling grievances, grievance mechanism includes the following procedures:

- *An employee shall present this grievance or complaint orally or in writing to shop steward. Upon receipt thereof, the shop steward shall verify the facts and determine whether or not the grievance is valid;*
- *.If the grievance is valid, the shop steward shall immediately bring the complaint to the employees immediate supervisor. The shop steward, the employee and his immediate supervisor shall exert efforts to settle the grievance at their level;*
- *If no settlement is reached, the grievance shall be referred to the grievance committee which shall have **ten (10) days to decide** the case.*
- *Where the issue involves or arises from the interpretation or implementation of a provision in a collective bargaining agreement, or from any order, memorandum circular or assignment issued by the appropriate authority in the establishment, and such issue cannot be resolved at the level of the shop steward or the supervisor, the same may be referred immediately to the grievance committee.*

In exploring policy question; ***Is Grievance Machinery under the Labor Code still applicable and effective at the workplace?***

Respondent from 16 cases under study revealed the following:

- a. Out of 16 companies being studied, only one (1) company followed strictly with the GM procedure in resolving their company grievance. Nine (9) companies deviated from the process, installed innovations and strategies in resolving the grievance fast; while six (6) responded that GM is inutile and not workable at their workplace. The main reason of the companies are: a) its inefficiency, GM follows specific steps and time frame (*10 days*), b) its legalistic and procedural approach; c) it follows formal procedures and must be in writing, workers usually do away with written complaints. Both workers and management do away with procedural approaches. For the companies, time matters most.
- b. The strategies and innovations introduced by the companies as their best practices dispute mechanism at their own workplaces, which can be considered as new Mode of Settlement Procedure are shown in Table 9.

Table 9
Workplace Dispute Settlement Procedure

Co. Code	With Union ?	New Mode of Settlement Procedure	GM	LMC	Others	Efficiency	Voice
LUZON							
Co. A	Yes	Formal – Informal President resolves all issues fast thru dialogue with workers;	Yes	No		Immediate – 2 days	Consultation ; Reg. meeting; Union Rep.
Co. B	No	LMC pre-grievance Consultation Open dialogue	No	Yes		Immediate -5 days	Consultation Reg. Meeting Union rep.
Co. C	Yes	Formal – informal Exhaustion of GM Procedure Legal process	Yes	Yes		3 weeks	Union rep. Investigation ; Hearing
Co. D	No	LMC pre grievance Consultation Open door policy	No	Yes		1 day	Informal channel
Co. E	Yes	Formal – Informal way Infusion of Christian values Open dialogue	Yes	Yes	VCTIP C	I-2 days	Family approach Reg. Assembly
Co. F	No	LMC pre-grievance Consultation Employee Disciplinary Procedure	No	Yes		2 days	5Ws 1Hs
Co. G	Yes	Formal – Informal way Open door policy Informal channelling	Yes	Yes		2 days	Consultation Meetings Union rep.

VISAYAS							
Co. H	Yes	Informal and Paternal Approach Fluid open and candid dialogue Union leaders takes responsibility	Yes	Yes		Immediate	Consultation Sm. group dialogue
Co. I	No	Using Company's Web Hotline	No	No	SCI Hotline	Immediate	Using new IT
Co. J	Yes	Industrial Department Relation Open dialogue trouble shooting	Yes	Yes	Kapatri	Immediate	Consultation Sm. group dialogue
Co. K	Yes	Formal – informal Open dialogue	Yes	Yes		Immediate	Open dialogue
MINDANAO							
Co. L	Yes	Formal – informal From open –procedural	Yes	Yes		2-3 days	Consultation Investigation Hearing Appeal
Co. M	Yes	Formal – Informal Open – procedural	Yes	Yes		2-5 days	Consultation Family approach
Co. N	No	Employees Grievance Procedure Using LMC Umbrella	Yes	Yes		3 days	Investigation Hearing Appeal
Co. O	Yes	Strictly, GM Procedure	Yes	Yes		5-7 days	Investigation Hearing Appeal
Co. P	Yes	GM Procedure Open Dialogue and Counselling	Yes	Yes			Investigation Hearing Appeal

II. The Best Practices of Workplace Dispute Settlement Mechanism

The companies are now embarking on new models and innovations of settling their disputes at the workplace. Based on 16 cases examined, the new models of workplace dispute settlement process deemed considered as best practices are the following:

A. General Observations of Companies' Best Practices.

In unionized companies, nine (9) cases were able to transform the grievance settlement mechanism from formal and structured legal process of GM procedure to informal and unstructured way of workplace dispute settlement. Unionized establishments who suffered from adversarial procedure in the past are now undergoing major shifts of management strategies where settlement of problems is done immediately. The new wave of workplace dispute settlement is characterized by: open communication, friendly unstructured dialogues, transparency, sincerity and mutual respect. This process geared toward swift, fast and effective resolution of disputes.

- ***For unionized establishment, it was found out that the companies are undergoing a major shift from formal structured GM procedure to informal, unstructured process of open dialogues, where settlement of problems is done immediately.***

B. Specific Observation of Best Practices in three Major Islands.

In Luzon, There are four (4) cases of unionized companies that are transforming the GM processes into informal dialogues. The management are now shifting a pro-active role in grievance handling of resolving disputes. In *Company A, E and G*, the productivity setbacks brought by adversarial procedure in the past thought them lessons to put primordial concerns in maintaining peaceful and harmonious workplace atmosphere. The President/owner of the companies are transforming their style from close door to open door policy; personally meeting and having dialogue with the workers to understand their issues and concerns. Any problems that might arise are resolved immediately. The pressures of national and international policy brought this leadership change and are now regaining the workers trust and loyalty.

In *Company A*, the new CBA plus the lessons learned from the past disputes experiences, forced the company to change its leadership and management style. In the same way that the union shaped-up, become more responsible and cooperative, for them, to cope with the serious financial slump. The President of the company is now undergoing a serious transformation by having a one-on-one consultation with workers twice a week in surfacing the problems, issues and concerns.

In 2011, he goes down to the workers level and started to open the communication channels, dialogue sincerely and become transparent in their business activities. All issues big and small are now communicated by the workers freely to the President of the company. There are now honest, sincere dialogues with the workers and giving immediate and effective solutions to the problems. The fast and effective settling of issues regained the trust and loyalty of union and individual workers.

- ***All issues big and small are now communicated freely by the workers to the President of the company. The employers are now having honest and sincere dialogues with the workers, understanding the workers view and rendering immediate and effective solutions to the problems. The fast and effective settling of issues regained the trust and loyalty of union and individual workers.***

In Company B, any conflict and grievance that might arise are resolved through Labor Management Council (LMC). One of the management strategy of surfacing conflicts and problems at the workplace is the giving of cash incentives to any worker who can identify any problem and suggest good idea for the possible solution of the same. In case of major infraction like, absenteeism, the strategy of the management is to share with the wife the husband's problem, before rendering penalty to the workers involved. The idea of calling the attention of the wife/family members and being told of the consequences of husband's untoward behaviour is to extend to the family the manner of disciplining workers with violations. The strategy of sharing with the family members the problem encountered by the workers helps the company in installing company discipline and thereby getting fast and effective solution to the problem.

- ***In case of major infraction like, absenteeism, the strategy of the management is to share with the wife the husband's problem, before rendering penalty. The idea of calling the attention of the wife/family members and being told of the consequences of husband's untoward behaviour is to extend to the family the manner of disciplining worker with violation. This strategy helps the company in installing company discipline and thereby getting fast and immediate solution to the problem.***

In Company E, after the company's experience of picketing for almost eight months, the management had undergone a total transformation of "*leadership with a heart for labor*". With the company's labor dispute experience plus the managers schooling and continuous training at the DOLE opened the management mind to infuse developmental solutions and strategies inside the workplace to minimize if not avoid labor dispute. The owner of the company, who happened to be a Christian regularly makes round at the workplace having a casual talks and befriending their workers. This attitude gained workers trusts and become open in voicing out any issues, suggestions and complaints. Thereby, resolving the problems swift and fast through informal dialogues.

- ***The owner of the company, who happened to be a Christian regularly makes round at the workplace having a casual talks and befriending their workers. This attitude gained workers trusts and become open in voicing out any issues, suggestions and complaints. Thereby, resolving the problems swift and fast by the employer through informal dialogues.***

In Company G, the change in management and the fresh CBA negotiation prompted both parties to have a change of heart and strategies. The new leadership start befriending the workers specially the old union leaders who were victims of adversarial procedures. An open door policy of the management was established. Management lowered herself to the level of the workers and entertained informal, casual talks. Petty issues and problems affecting works or work relationship can be discussed openly with the management who can automatically renders decisions. It was in the pre-grievance stage where an open door policy of the management is effective. The workers as well as the union leaders can go directly to the President to discuss issues and concerns without fear of reprimands. The management can automatically acts on the issues. Unresolved grievances are threshed out and settled within two days.

- ***It was in the pre-grievance stage where an open door policy of the management is effective. The workers as well as the union leaders can go directly to the President to discuss issues and concerns without fear of reprimands. The management can automatically acts on the issues. Unresolved grievances are threshed out and settled within two days.***

For the three (3) non-unionized companies, they are using the pre-grievance Labor Management Cooperation (LMC) procedure of open dialogue, consultation and counselling. The three non-unionized companies are benchmarking on *dispute prevention strategies* to maintain peaceful workplace scenario.

In Visayas, Three (3) cases in Visayas were observed to exhibit best practices in workplace dispute settlement. Their best practices are the following:

Company H, the biggest unionized brewery industry in the Philippines, is an epitome of matured union leadership since its inception in 1980. Their leaders matured with the company and had been there for more than 30 years. They exhibit a paternal kind of leadership characterized by mutual respect, cooperation and sense of ownership to the company. The Filipino culture of "*malasakit*" and "*barkadahan*" is well built. The settling of any conflicts and problems, even CBA negotiation is just done informally at their "*kwentuhan sa manggahan*" open dialogue system. Where settlement of issues are done immediately through candid consultation and counselling. This kind of union maturity and sense of responsibility has proven effective. Since 1980, the company has no record of disputes. This kind of Filipino paternal attitude gained the trust and respect of the management.

- ***The union maturity and sense of responsibility in handling workplace dispute settlement through an informal open dialogue, consultation and paternal counselling embarking on Filipino culture of "kapwa-malasakitan" and "barkadahan," proves to be effective for more than 30 years now. The union's maturity and paternal attitude gains the trust and respect of the management in one of the biggest brewery industry in Cebu.***

In Company I, the biggest multi-national garments industry, employing 16,000 workers in Lapu-lapu City develop "*Company Hotline*" as new innovation of workplace dispute settlement. It made use modern information technologies to tract the company's conflicts and problems at their factory areas. *Hotline* is a company's modern communication system where employees send out their complaints, issues and concerns through e-mail, text or tweet. The management in-turn checks the authenticity and investigates hotline senders. The management through their HR department replies through public address. Settlement can be done fast and swift. If the workers find the decision unacceptable, that's the only time that the workers file written complaint, as follow through appeal system. The company hotline is visible to their foreign counterparts and clients in checking the peaceful status of labor relations at the workplace.

- ***The new innovation using modern information technologies called "Hotlines," as company's modern communication system in workplace dispute settlement, where employees can send out their complaints, issues and concerns through email, text or tweet, got swift and fast and effective solutions.***

In Company J, one of the biggest copper mining industry in Asia, the creation of Industrial Relation (IR) Department was developed as their pre-grievance trouble shooting mechanism. The idea is to cure the defects they suffered from big blows of adversarial dispute settlement of militant-labor unionism. The IR groups were created per department and line management with membership in the Board of Directors. This innovation requires the IR group to went down to the workers level interact directly with them, converge and openly discuss sources of problems, violations and the discipline measure and action to be taken. At the same time, serves as voice of the workers to the top management in resolving issues and conflicts. The proposed developmental solutions are also discussed with the Board. The IR groups serve as a means of fostering mutual understanding of rights and responsibilities on part of labor and management.

As regards to case disposition, the company encourages that as much as possible resolution of should be done immediately at the level of line management. Usually, pre-grievance resolutions takes three (3) days at the longest, to ensure that the decisions would be acceptable to both parties.

- ***The creation of an Industrial Relation (IR) Department was developed as pre-grievance trouble shooting mechanism. The IR team is present in every departments and line management with membership in the Board of Directors to converge and openly discuss sources of problems, violations, discipline measure and action to be taken. At the same time, serves as the voice of the workers to the top management in resolving problems, issues and conflicts.***

In Mindanao, there are two (2) cases, may be considered as models in workplace dispute settlement practices. Among its best practices are:

Company L, an essential hospital service industry with the intent and purpose of serving the less fortunate citizens in the community was able to modestly transform its management advocacies aligning into Christian values of servant leadership and witnessing. With the new CBAs as fresh start, the union commits itself in establishing harmonious labor-management relations at their workplace. The existence of pro-active grievance machinery in settling disputes with speed helps in maintaining peaceful relationship and improving the hospital performance. The bulk of management intervention is focused more on dispute prevention strategy of "*kapwa management*" as pioneer of

integrating Christian values at their workers and community. The companies only made use of GM procedure as its last resort.

- ***An essential hospital service industry with the intent and purpose of serving the less fortunate citizens of the community Davao was able to modestly transform its leadership advocacies and dispute settlement mechanism aligning into Christian values of servant leadership and witnessing, focusing on "kapwa management" as its dispute prevention strategy.***

Company M, an agri-manufacturing industry in the south, who had an experience of hostile labor disputes relation characterized by series of strikes and pickets was able to transform itself with the change of its leadership. The new President was able to install a new kind of management aligned with the eastern values and culture, the "*family approach*" kind of management. With the new and fresh leadership, both management and union officers share with the view that the best factors affecting the speedy resolution of disputes are rooted on the Filipino value of "*kapamilya approach*". Since then, the handling and settling of grievances is just like settling family conflicts; using informal, honest sincere dialogue. In arriving to decision of issues meeting of win-win solution in resolution of conflicts is always considered. The mitigation of penalty, in case of workers major violation is always bargained by union officers. The leadership open door policy, cooperation and transparency are essential in trust and loyalty building. The union leaders, on the other hand owed respect and gratitude to new kind of leadership. The mutual understanding and commitment that was established helps a lot in fast and speedy resolutions of disputes.

- ***With the new and fresh leadership, both management and union officers share the view that the best practices in affecting the speedy resolution of disputes are rooted on the Filipino value of "kapamilya approach" kind of leadership, where handling and settling of grievance is like settling family conflicts using informal, honest, sincere dialogue regarding issues and conflicts and meeting a win-win solution in resolving conflicts.***

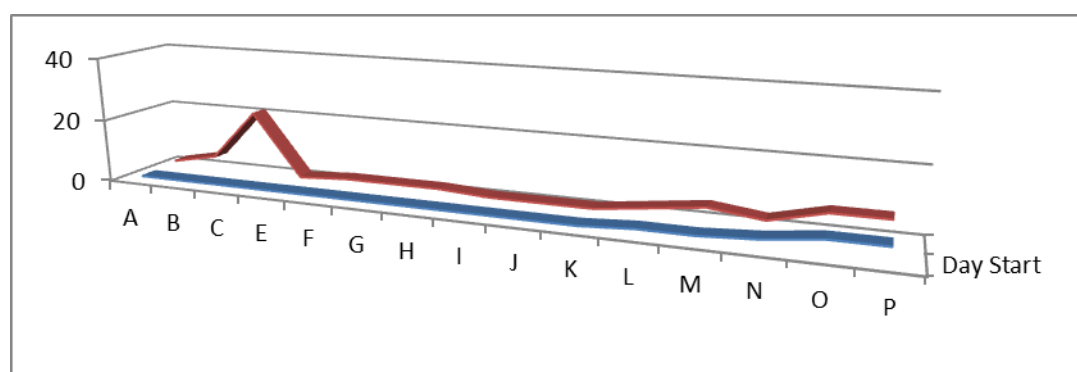
C. The New Mechanism Impact to Organizational Performance

The new models of best practices in dispute settlement mechanism at the workplace help the companies in improving their productivity performance. The nine (9) unionized companies who encountered previous losses before are now in the process of fast recovery. The four (4) non-unionized companies show considerable growth. For two (2) companies opted to use the formal structured process of grievance machineries (GM) in settlement of conflict are likewise able to maintain peace and harmony at their workplace.

To understand the policy impact of best practices models employed by the companies, three policy questions are explored to test the models' **efficiency, fairness and effectiveness** as follows: 1). *Are the new Company Models of Best Practices in Dispute Settlement at the Workplace efficient?*; 2) *Are workers voice fully represented in the process?* 3) *How the models' strategies affect organizational performance and productivity of companies?* The results were as follows:

a. On Efficiency. Of 16 cases being considered, one of the most important factors identified by the companies in any business growth and competitiveness is **time**. For business any disturbance in time of production of goods should be eliminated to survive the competitions in the world market. Figure 3, shows the efficiency impact/time frame of dispute settlement process inside 16 companies under study.

Figure 3
Efficiency Impact of New Models of Dispute Settlement Process



As seen in Figure 3, in terms of efficiency, the change of management strategies from formal legal procedure to informal way of open dialogue in dispute settlement allows the companies to settle their grievances at the workplace **immediately** or from 1-2 days.

Twelve (12) companies responded that settling through informal and fluid process only takes an hours to one (1) day.; Except in Company B, a big manufacturing company which responded that their settlement of disputes varies, they can settle in and hour to full exhaustion of settlement of grievance which can last up to three weeks (21) days to prevent the ripening of disputes into labor cases. Company L-M settled their disputes 2-3 days; while Company O-P settled their disputes 5-7 days.

An *open door policy* and open *informal dialogues* also proved to be efficient in settlement. The dramatic change in leadership behaviour in some companies, where the President or the Chief Executive of the Company went down to the level of workers using informal dialogues creates workers trust, honesty and loyalty. The issues and conflicts surfaced during informal dialogues were decided by the President or the companies' chief executives **automatically**. This shift in management strategies allows the workers to be open and freely discuss their problems and conflicts sincerely without fear of reprimand or dismissals. In Company A, The President of the company, personally takes responsibility in dealing with the workers in conflict through informal dialogues. The reformed leadership are now very keen and careful to assess the situation fast and fair. After a dialogue, the President can issue immediate orders to their superiors, for automatic settlement of issues and conflicts. This same leadership principle and mode of settlement was also observed in Company D, E and G. The same observation was found out in Company H, I, and J in Visayas as well as Companies L and M in Davao. It was found out that the Chief Executives in big industries with foreign counterparts/export component are now very keen and careful in dealing with workplace conflicts fast and effective, so as not to disturb harmony at the workplace. Hence, an open and informal way policy approach which is new mode of leadership transformation proves to be efficient in all industries of 14 cases under study particularly: automotive, manufacturing, brewery, garments and essential services.

However, in other regions in Mindanao, particularly, those belonging to agri-manufacturing industry in Region X and XIII (Company N,O, P) are still actively practicing the formal and structured approach in settlement of disputes as mandated by the Grievance Machinery Procedure under the Labor Code with some minor modification. Hence their mode of settlement varies from 3 days to **5-7 days**. Table 10 shows the industry transformation in settlement of disputes and their change in efficiency level.

Table 10
New Model of Settlement Process at the Workplace by Industries
And Time Frame of Settlement

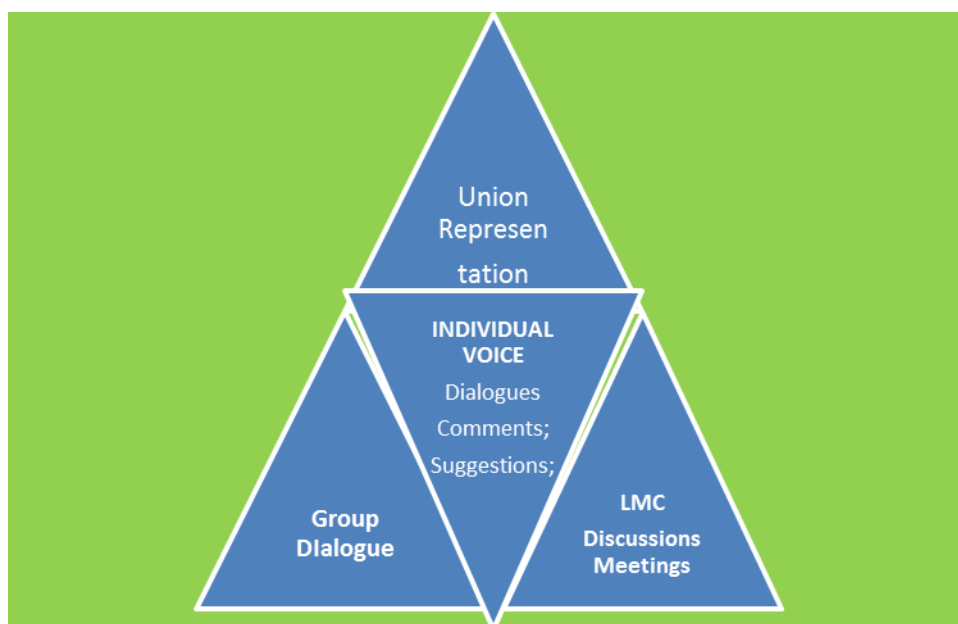
Co. Code	Major Industry	With Union?	New Mode of Settlement Procedure	GM	LMC	Others	Time Frame of Settlement
LUZON							
Co. A	Automotive Industry	Yes	Formal – Informal President resolves all issues fast thru dialogue with workers; Open policy	Yes	No		Immediate – 2 days
Co. B	Automotive Industry	No	LMC pre-grievance Consultation Open dialogue	No	Yes		Immediate -5 days
Co. C	Manufacturing Industry	Yes	Formal – informal Open dialogue-exhaustion of GM Procedure -legal process	Yes	Yes		3 weeks
Co. D	Manufacturing Industry	No	LMC pre grievance Consultation Open door policy	No	Yes		1 day
Co. E	Manufacturing Industry	Yes	Formal – Informal way Infusion of Christian values Open dialogue	Yes	Yes	VCT IPC	I-2 days
Co. F	Manufacturing Industry	No	LMC pre-grievance Consultation Employee Disciplinary Procedure	No	Yes		2 days
Co. G	Essential Hospital	Yes	Formal – Informal way Open door policy	Yes	Yes		2 days

	Service		Informal channelling				
VISAYAS							
Co. H	Brewery Industry	Yes	Informal and Paternal Approach Fluid open and candid dialogue Union leaders takes responsibility; Open policy – union maturity	Yes	Yes		Immediate
Co. I	Garments Industry	No	Using Company's Web Hotline; Open information	No	No	SCI Hotline	Immediate
Co. J	Mining Industry	Yes	Formal –Industrial Relation Department Open dialogue trouble shooting; IRD bridge the gap	Yes	Yes	Kap atira	Immediate-extensive
Co. K	Essential Electrical Service	Yes	Formal – informal Open dialogue	Yes	Yes		Immediate
MINDANAO							
Co. L	Essential Hospital Service	Yes	Formal – informal From open –procedural	Yes	Yes		2-3 days
Co. M	Agri-Coco-Manufacturing Industry	Yes	Formal – Informal Open – procedural	Yes	Yes		Immediate - 2-5 days
	Agri-Wood	No	Employees Grievance Procedure	Yes	Yes		3 days

Co. N	Manufacturing Industry		Using LMC Umbrella				
Co. O	Agri-Wood Manufacturing Industry	Yes	Strictly, GM Procedure	Yes	Yes		5-7 days
Co. P	Agri-Banana Industry	Yes	GM Procedure Open Dialogue and Counselling	Yes	Yes		5-7 Days

b. On Voice Representation/ Fairness. Voice in Workplace Dispute Settlement Mechanism can be seen in three tiers: a) in dispute prevention, b) in pre-grievance trouble shooting strategies and c) in grievance machineries or in dispute settlement process. In every tier, voice can be represented in three ways: a) individually; b) in group; c) by union representation. As shown in Figure 4.

Figure 4.
Voice Representation in three tiers of Dispute Settlement Mechanism.



Voice representation is observed in three tiers of workplace dispute settlement as follows:

a. *In Dispute Prevention Strategies*– voice can be represented in three ways:

- *Individual Voice* - can be represented in settlement mechanism through, a) individual consultation, b) one-on-one dialogue, and c) submission of individual comments and ideas. In Company A, the President's one-on-one consultation with the worker is one of the major transformations in dispute settlement process. Any issues, concerns and problems shared by the workers are acted fast and swift by the chief executive. In Company B, individual voice is visible through individual workers observations, suggestions and comments which is being promoted at the workplace as one of the company's strategy is surfacing any problems before ripening into grievance. This pro-active approach couple with cash and rice incentives is an effective best practice of the company in dispute prevention.

In open door policy approach which is being practiced by company models, any individual workers can communicate freely his/her side or opinions to the management in case of any issues and problem. In Company I, individual voice is very much represented in the "Company Hotlines" where any individual worker can e-mail, text or tweet the management concerns regarding their issues and problems and can received immediate solution to the company.

- *Group Voice* – is visible to the company models with Labor Management Council (LMC). Voice is visible during LMC general assembly, small group meetings and during company activities both formal and informal, where the management are engaging an informal dialogue with the workers. Discussions during group meetings and group activities allows the workers to share in the settlement of disputes as well as in the decision making process at the workplace. Of 16 cases, 14 have LMC, except for Company A and I. When asked, Company A's union is still hesitant to create LMC due to fear of union voice representation, while Company I is using the new wave of information technology which made them feel that group representation seem unnecessary.
- *Voice Representation by Unions* – in unionized establishments, voice representation can be best expressed during CBA negotiation, where welfare and benefits of workers can be bargained with the management through union representation.

b. *In Pre-Grievance Trouble Shooting Strategies* – voice representations can be of different ways:

- *Individual Voice* - is visible through one-on-one consultation with the labor officers in the process of understanding the issues and conflicts that might be submitted as grievance. In Company H, one of their best practice is called "*kwentuhan sa manggahan*" allows the concerned worker to voice out his/ her complaints informally to unions for consultation and counselling.
 - *Group Voice* - can be observed in pre-grievance LMC procedure. In case of Company J, the creation of Industrial Relation Division, where IR team engaged in group dialogue with the workers in line department regarding their issues and problems and suggesting doable solutions of the same. The IR team serves as group voice to the Board of Directors in process of early resolution of conflicts.
 - *Voice Representation by Unions* - in Company H, pre-grievance trouble shooting strategy can be seen barkadahan and paternal style of union representation in threshing out conflicts automatically through informal and unstructured way as its trouble shooting strategy. The union can easily represent the workers to the management after threshing the issues and concerns.
- c. *Grievance Process/ Workplace Dispute Settlement Process*– if conflicts results to formal written complaints, hence, resolving the grievance through the grievance machinery procedure, voice can be represented by unions in following: a) investigation, b) hearing, c) mitigating the penalty in the decision.

c. On Effectiveness - to check the effectiveness level of the new models of settlement introduced by the companies at the workplace, this study tried to correlate the change in leadership style/ management strategies and change in workers behaviour as well as organizational performance with the following results:

Table 11

Best Practices introduced by the Companies and Effectiveness Results

Company Code	Change in Leadership style/Management Strategies	Effectiveness
Company A	<p>The President of the company went down to workers level, started an open door policy, dialogue with workers, responded quickly to issues at hand.</p> <p>Management become transparent to business transactions and realities; more generous to</p>	<p>-regained the union and workers trust;</p> <p>- workers started to be open with the management;</p> <p>- started cooperation and</p>

	workers need.	<p>partnership;</p> <ul style="list-style-type: none"> - feeling of paranoia or mistrust started to disappear; - started to discuss openly both operational and administrative concerns; -workers started inputting effective solutions; - productivity increase
Company B	<p>Companies strategy of soliciting individual inputs, suggestions and observations by putting cash incentives and rice allowance for every comments, observation and suggestions submitted;</p> <p>Inclusion of the wife/family members before resolution of grievance with major violations like absenteeism.</p>	<ul style="list-style-type: none"> - fast settlement; - harmony not disturbed; - no disputes ripened into a case; -regained the trust and confidence of investors; -doubled its production capacity; -additional 28.2 hectares proposed manufacturing site expansion.
Company D	<p>Family approach kind of management, where "pagmamalasakit" was embedded in company activities;</p> <p>Openness, informal channelling, satisfying the needs</p>	<ul style="list-style-type: none"> - harmony is maintained; - workers sense of ownership to the company (may malasakit); - cooperation, friendly attitude and mutual trust is maintained.
Company E	<p>Management with a heart for labor policy; infusion of family approach and Christian values in management style;</p> <p>Open policy, open communication channel, employer always making rounds and befriending the workers</p>	<ul style="list-style-type: none"> - harmony and peace is maintained; - mutual respect, trust and cooperation; -workers malasakit to the company is well built; -union become responsible and now major partners in local tripartite council in the area; - no more labor dispute

		recorded.
Company G	<p>President going down to the level, open door policy, open communication, informal and casual dialogue started;</p> <p>Started consulting unions both in operational and administrative concerns.</p>	<ul style="list-style-type: none"> - regained union trust; - started cooperation and partnership; - workers started to be open with the management; - workers started to work extra miles meeting company's mission of health services.
Company H	<p>Operate with management philosophy of "caring beyond business"</p> <p>Management open policy, immediate action to problems, co-ownership through stock ownership fund;</p> <p>Union maturity, openness, fraternal attitude, sense of ownership;</p> <p>Frankness, informal dialogue "kwentuhan and barkadahan style"</p>	<ul style="list-style-type: none"> -industrial peace is maintained for 32 years; - no dispute disturbance, even at the height of strikes situation in 80's; -company's continued growth and success making them number 1 brewery in the Philippines and in Asia; -union leadership is well respected, have paternal attitude to both workers and management; - union and management operates and work together based on mutual trust and respect.
Company I	<p>Open communication system, through the use of Company Hotlines;</p> <p>All issues and concerned can be send by the workers thru e-mail,text or tweet; immediate response; solution to the problem</p>	<ul style="list-style-type: none"> -harmony at workplace is maintained; -no delay orders; -always at production quota; - continued success and able to compete international market; -major supplier of apparels of world class brand; Adidas, rebooke, etc; -of 16,000 workers and five major factories oprating with only one HR manager in the Phil.
Company J	Change in ownership and management style	-regained union trust; no

	<p>with core values of “improving people’s lives, <i>malasakit</i> integrated;</p> <p>Union disaffiliation to federations;</p> <p>Open communication channel; introduction of Industrial Relation Div.;</p> <p>With IR team in every line functions, bridging workers and management;</p> <p>Open dialogue, COPPER flash union magazine publication as workers voice expose; as means of fostering mutual understanding of rights and responsibilities.</p>	<p>more strikes;</p> <ul style="list-style-type: none"> - unions are now cooperative, regaining company’s trust and respect; - regaining the company’s loss; -improved personal relation and mutual trust; -LMCC becomes model of best practices and advocate of peace and harmony; -recipient of many awards; Kapatiran awardee
Company L	<p>Infusion of Christian values of servant leadership and witnessing in leadership and management style;</p> <p>Kapwa management approach, value of <i>malasakit</i> and <i>kawanggawa</i> integrated;</p> <p>Financial capacity is open and always considered in negotiation;</p>	<ul style="list-style-type: none"> -christian values and attitude ingrained in workers and family; -mutual trust and respect; -workers giving extra miles as part of company’s charity work and advocacy; - sense of value, and integrity is high
Company M	<p>Change of leadership; new President introduced “Family Approach” type of management strategy;</p> <p>Open policy, informal setting dialogue, frank and honest giving of comments and ideas and appraisal system;</p> <p>Improved workers benefits, needs including emergency family needs are met;</p> <p>New President’s positive aura, start the dialogues and being friendly to workers;</p>	<ul style="list-style-type: none"> - regained union trust; -workers become open and transparent; -changing union’s attitude from being hostile to friendly and cooperative; - managers changed attitude from legal and combative to friendly and cooperative; - familial needs and values considered by the management; - mutual respect regained; - boost in productivity; -now supplier of coal in Europe and Africa.

- *(Discuss the Organizational Impact)*

III. Regional Dispute Settlement Mechanisms Supervision and Monitoring Strategies

In the exploring the policy problem, How DOLE effectively promotes voluntary compliance of installing a GM mechanism for past and effective settlement of disputes for both organized and non-organized establishments?

The Regional Conciliation and Mediation Board (RCMB) in six DOLE regional offices of three islands of the countries have indicated different opinions in incentivizing the GM program and services. Each RCMB has its own way and strategies in supervising the companies under their care as follows:

In Luzon, the RCMB IV-A(CALABARZON)believe in the compliance with the mandate of the Labor Code Grievance Machinery procedure. The Director is in favour with the idea of incentivizing the GM program in establishments, for the companies to installed the guideline of GM program inside the workplace.Installation of GM helps the implementor to effectively managed settlement of dispute at the company level with least government supervision. Hence, incentivizing the best GM program of the companies is a welcome approach.

While in RCMB III of Central Luzon is of the opinion that the focus of intervention is more on strengthening of Labor Management Cooperation (LMC) program rather than the implementation of GM program. It was explained that the companies in Central Luzon try to do away with the legal and adversarial settlement of GM procedure. The companies are more in favour of utilizing LMC is settlement of disputes. Hence, the concentration of DOLE assistance is more on technical training cooperation, livelihood assistance and labor education seminar.

In Visayas, RCMB VII in Cebu, is initiating on a more developmental approach in handling GM program supervision with the establishments. To them, the promotion of industrial peace and harmony is geared towards the development of Alternative Dispute Resolution (ADR) Center that will cater the companies in need their localities. The ADR center should help in propagating sound andhealthy labor management relationship at the enterprise and industry level. This should be manned by the voluntary arbitrators, peace advocates and social partners in Visayas. This ADR initiative will likewise expand the horizons of social partners who will play an active role as LMC and GM program Facilitators, conflict managers, conciliator mediators and voluntary arbitrators. This endeavour futher aims to integrate the package of workers relationship enhancement, labor management cooperation (WRE/LMC), Grievance Machinery Utilization and Voluntary

Arbitration (GM/VA), conciliation and mediation program (Con-Med) programs, avoid “piece-meal” implementation, and realize a holistic approach to attain more meaningful results.

RCMB VIII Tacloban is more conservative in its approach. They are strictly following the GM mandates under the Labor Code and it implementing guidelines under D. O. 40-B. They are also of the opinion that incentivizing GM in the establishments is a welcome approach to boost companies’ compliance with the dispute settlement procedure at the company level.

In Mindanao, RCMB XIII, CARAGA is a pioneer on incentivizing GM program implementation. In fact, as early as 2010, the RCMB CARAGA in coordination with Caraga Industrial Peace Practitioners Advocate (CAIPPA) had already awarded a search for the best grievance practice for both organized and unorganized establishments. Their criteria includes: a) GMC structure, composition and sustenance (30%); b) GMC Procedure and Practice (35%) and Speedy Resolution and Effectiveness (35%). The RCMB explained that this Caraga Incentivizing GM Project contributed to the success of dispute resolutions of establishments resulting to workers empowerment, productivity and improved working conditions and business performance. However, it was suggested that in incentivizing the GM Program GM should be changed to *“Conflict Management Committee”* to delete the legalistic and adversarial stigma attached to it.

On the other hand, RCMB XI (Davao) is not sold out with the opinion of incentivizing GM program. The Director explained that incentivizing the program is in contradictory with the Filipinos culture of settlement, as characterized by

open dialogue, paternal attitude and mutual agreement of both parties. His reservation is anchored on eliminating the legalistic and adversarial procedure of GM. It was proposed that Labor Management Cooperation (LMC) should be advocated and promoted rather than incentivizing GM. He explained that in maintaining harmony at workplace the focus should be on *“relationship”* rather than rules. In settlement of differences, the workers behavior and cultural values should be taken into consideration rather than the ego of finding who’s right or wrong. He opined that DOLE should incentivize the innovative practices of the companies in settlement to promote the win-win solution of maintaining peaceful relationship. Further, it was suggested that DOLE should provide a venue where companies with best bipartite settlement mechanism should be promoted for other companies to emulate their trade mark in maintaining harmonious relationships which redound to companies’ productivity and competitiveness.

There is no holistic approach on how DOLE should incentivize the GM program as mandated by AO 115, Series of 2011. Each region has its own peculiarities and manner of supervision.

Among the recommendations coming from RCMB includes: a) amending A.O. 115 by changing the word *Incentivizing Grievance Machinery* to incentivizing the best practices in bipartite dispute settlement or Conflict Management Committee to delete the notion of its adversarial and legal connotations; b) provide venues like seminars, where the companies with best practices will showcase their innovations to other companies alike for them to create a splinter effects to other companies; c) amend Article 255 and 277 (g) and (h) of the Labor Code to institutionalize the bipartite settlement of disputes to both organized and unorganized establishment; d) the Best Practices programs for fast fair and effective settlement of disputes at the workplace should be awarded and promoted and not the best GM program. This idea is in support to the national promotion of productivity and inclusive growth.

CHAPTER 6

CONCLUSION

Conflict and issues in all business establishments both organized and unorganized is inevitable. In settling their disputes, the companies are avoiding the formal procedure of grievance machinery (GM) as mandated by the Labor Code. The companies find its way in going out of the box. They find the grievance procedure inutile, since it is legal, tedious, time framed, procedural and not in conformity with the workers culture of resolving differences, which involve true Filipino values of: a) transparency and openness (*paglilinaw*), mutual trust and respect (*pagtitiwala*), compassion (*pagmamalasakit*) and consensus building (*pagkakasundo*). The companies are now maturing and devising its own way of settlement to conform to workers total personality and cultural-behavioral system, integrating to the company's culture, in making the solving of differences fast, fair and effective.

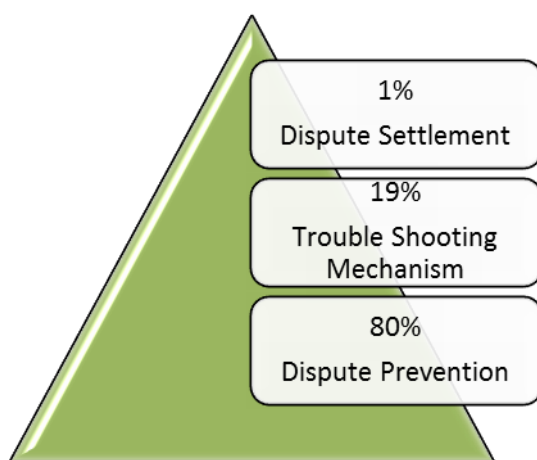
Therefore, for business to survive and compete with the world market, new strategies and innovations are used by the companies as their best practices in dispute settlement. The companies' innovation of new models at the workplace dispute settlement system followed three tiers: a) dispute prevention; b) trouble shooting or pre-grievance; c) grievance proper. The companies are giving much focused and preference to dispute prevention and trouble- shooting strategies but least attention, if not, to grievance mechanism procedure (GM) for its efficient settlement of disputes. To make settlement fair and effective **voice** is actively use in three tiers of settlement. To make it fast and efficient, the formal way is out while the informal way is inn. Informal, candid and paternal dialogues are being used to adjust to workers behaviour adopting to their culture in order not to disturb peace and harmony at their workplace.

The manner by which the management responded to the workers behaviour and culture would have a direct correlation to productivity and organizational growth. The companies change in leadership style from closed to open door policy and the management adherence and integration to the Filipino culture and values of: compassion (*malasakit*), humane treatment (*pagmamahal sa kapwa*), family-care (*paglingap sa pamilya*), and Christian values (*pagiging maka-Diyos*) are positive innovative developments in dealing with workers differences. The integration of the Filipino value system can create workers trust, openness, respect, loyalty and passion at work. These are the building blocks in maintaining harmony at the workplace in every business establishments towards the attainment of industrial peace for growth and competitiveness.

CHAPTER 7

POLICY RECOMMENDATIONS

1. The settlement of disputes inside the companies should not be put in a box. The holistic approach of settling differences at the workplace incorporating Filipino Culture and values should follow the triangular three tiers of settlement : a) Dispute Prevention (80%); b) Pre Dispute Dialogue or Trouble shooting Mechanism (19%); c) Actual Settlement Dispute (1%). LMC and GM can be merged to "*Workplace Settlement Mechanism*". It shall be devoid of legal and adversarial procedures to give way to company's flexibility and creativeness. Therefore Article 260 of RA 6715 and D.O. NO.40-03 should be amended.



2. DOLE should provide venues for social dialogue in promoting and advocating company models workplace settlement mechanism who can settle differences fast, fair and effective. The companies with best practices should be invited to present their innovative approaches, which can be copied by the companies both organized and unorganized. The model companies should mentor and provide assistance to other companies through tripartite system, kapatiran or big brother small brother bipartite relationship.
3. Voice representation should always be promoted and strengthened in the establishments incorporating Filipino values in settlement of disputes in the settlement dialogue such as: a) transparency and openness (*paglilinaw*); mutual respect (*pagtitiwala*) ; c) compassion (*malasakit*) and d) consensus building (*pagkakasundo*). The focus of settlement should gear towards maintaining the peaceful and harmonious relationship at the workplace.

4. DOLE RCMB should develop a coherent and holistic approach in monitoring and supervision of the company level settlement system. The promotion and benchmarking on the competitive advantage of maximizing the innovative approaches of integrating Filipino values of compassion, humane treatment, familial ties and Christian values as business leadership strategies is very much sought for.
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CASE NO. 01 – AICHI FORGING CO. OF ASIA, INC
(The case of an Automotive Industry in Region IV-A)

I. COMPANY PROFILE

Aichi Forging Co. Of Asia, Inc. is a leading manufacturer of highly competitive forging products such as Steel forging and Dies and Vacuum heat Treatment products. It is strong team of global berth with the total capitalization of 1,411 Million. A registered enterprise located in a PEZA-accredited economic zone at Balibago, Sta Rosa, Laguna. The company is a top OEM producer of forged metal components of vehicles both for the Philippine automotive industry as well as other countries overseas. Among its customers are Asian Transmission Corporation (Mitsubishi), Isuzu Autoparts Philippines, Aichi International (Thailand) Co., Ltd., Toyota Motors Phils. Corp. (South Africa), PT Aichi Forging Indonesia, and Toyota Tsusho Corp. (Japan).

The company employs 267 highly skilled and experienced regular workers and 96 contractual workers. It has two unions: the Rank and File (R&F) Union, which has 168 members, and the Supervisory Union. The Rank and File Union claims to be an Independent Union, even if it gets labor education and other forms of support from militant labor federations. Both unions have existing Collective Bargaining Agreements (CBAs).

II. HISTORY OF DISPUTE EXPERIENCE

It was in 2009 where the rank and file unions filed two notices of strikes (NOS). The first NOS, was due to Collective Bargaining Deadlock and the second one was unfair labor practice (ULP). Even if the company did not experience a full blown strike, the production slowdown and picketing resulted to an estimated 10 percent drop in productivity per hour. When translated in money terms, this drop in productivity translates to substantial losses to company.

Management also observed that there seemed to be a marked decrease in productivity during CBA negotiation period. The productivity level went down to 30% in two negotiation phase: in 2007 the slope was from 70% down to 35% during the negotiation phase and in 2009, the productivity went down from 60% to 30%.ⁱ This also resulted to the withdrawal of orders in one major automotive part which is being supplied by Aichi Forging worldwide, a major loss to the company.

The Union, on the other hand, felt that management was short changing them if the financial statement was to be used as basis of the wage increases and other non-monetary benefits that should be given them.

The DOLE Secretary issued the first order assuming jurisdiction (AJ) over the labor dispute on 17 June 2009 and the second one on 22 July 2009. Both management and the union were directed to cease and desist from taking any action which may aggravate the situation. The labor dispute was completely settled on 23 March 2010 when the new Collective Bargaining Agreement was concluded. Both parties accepted the terms and conditions of the agreement to foster good labor and management relations in an atmosphere of mutual respect.

Upon resolution of the case in 2010, both the union and management learned lessons and gained insights from the AJ experience. Management claimed that the assumption of jurisdiction of the labor dispute at company was necessary to prevent the occurrence of actual strike that would compromise its commitments to the automobile industry in the country and overseas. He explained that the automobile industry is a chain of automobile part manufacturers that are dependent on one another to complete the supply chain. The parts should be delivered just in time and on time when they are needed. A full blown strike in company could have paralyzed production thereby delays in the delivery of auto parts, which negatively affected the supply chain of automobile production in the Philippines, in parts of Asia, and as far as South Africa. This situation did not only affected the supply of automobiles but more importantly, the livelihood of workers both in the automotive industry and the informal economy dependent on it. Moreover, work stoppage would also adversely affect the country's export industry.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

The new Collective Bargaining Agreement and the lessons learned from previous labor disputes prompted the company to change its management style and the unions to shape- up. It was in 2011, when the President of the company went down to the level of the workers, started to open the communication channels and become transparent in their business activities. All issues big and small communicated by the workers were acted by the President automatically, thus regaining the trust and confidence of unions. The workers on the other hand become transparent and open. Hence, mutual cooperation and trust were regained. The new strategy of the company in settling dispute at the workplace has produced the following:

a. *Efficiency (Cost of Case Handling, Speed of Resolution)*

An open door policies introduced by the management is very efficient. Resolution of issues and conflicts were decided automatically. Any problem that might arise at the workplace is always a concern by the President. The workers can open freely his/her problem without hesitation with the top management. The President can act at the problem simple, fast and effective. Resolution of any issues is automatic. The President can issue an immediate order to their superiors or co-workers without any hesitation. Their foreign counterparts/clients are very keen with the labor relation' status of the company.

b. *Voice (Representation, Hearings, Justice and Fairness, Appeal)*

Voice representation at the workplace is of three layers: 1) individual workers weekly consultation with the President; b) monthly general meeting; d) union's representation when there are violations of company rules and regulations.

Individual consultation with the workers is scheduled twice a week. Every Wednesday and Friday, the President will talk to five workers of anything. This is the management's gesture of "pagmamalasakit" at "pakikipag-kapwa." Any issues, concerns and problem of an individual workers are resolved swiftly and effectively.

Regular monthly-general meeting is scheduled where individual or group of workers can raise any issues and problems and solutions or any ideas for the good of the company are likewise solicited. Issues and problems are also being resolved by the assembly during the meeting. Any problems that required further investigation or study can be resolved by small group meetings of workers and management.

Proper union representation during grievance procedure is properly observed during investigation, hearings, and up to the resolution of the case. After the decision was rendered, the President of union can still bargain of lessening the penalty of the decision rendered.

c. *Effectiveness (Performance and Productivity)*

In terms of workers' behavioural performance, the workers compensated the "pagmamalasakit" at "pakikipagkapwa" and extended benefits they gained through CBA by hard works and dedication. The workers are now committed to perform their best, because the management is now transparent of their

earnings and now gracious enough to share the same with their workers. This spells the company's productivity.

B. Workplace Dispute Mechanism Impact to Organizational Performance

The workers hard works and dedication uplift the company's productivity and now the company supplies to 36 countries worldwide. Slowly, the company is now recovering from the lost 2009 – 2010 during their strike and assumption of jurisdiction experience.

C. Factors Affecting Resolution of Disputes

The factors affecting the resolution of their disputes fast and effective includes: a) maturity of the management and the unions – both of them understand the consequences of their actions and reactions to issues at hand; b) open-door policy by the management, transparency and openness of individual workers; c) the President's initiative to show "pagmamalasakit" at "pakikipagkapwa" to the workers – this kind of humbling act done by the leader of the company means a lot to the workers. The leader made them feel that they are very important factor in company's success.

In contrast, upon reflecting their dark experience in labor dispute mishandling, the hindering factors they enumerated includes: a) legal and adversarial procedures as dictated by lawyers prolonged and magnify their disputes resulting to company's loss and the workers losses as well; b) lack of communication, openness and transparency resulting to mutual mistrust and paranoia; c) both workers and management were suspicious of respective actions and reactions; d) brainwashing of rights without the corresponding responsibilities and obligations instigate disputes and conflicts.

D. Recommendations

1. Labor dispute mechanism and GM procedure should not be put in a box “ayaw ng de kahon”. DOLE should do away with legalistic and adversarial procedure. DOLE should not dictate the companies on what legal matters to do, but instead they should provide a venue where the companies can share their best practices of resolving disputes at the workplace simple fast and effective.
2. Informal, liquid and open communication can lead to fast settlement of conflicts.
3. Mutual trust, confidence, cooperation leading to productivity is built by honesty, mutual respect, “pagmamalasakit” at “pakikipagkapwa.” These values should be the primary factors in building harmonious relationship at the workplace.

CASE NO. 02 – **Yokohama Tires Philippines Inc.**
(The Case of Automotive Industry in Region III)

I. COMPANY PROFILE



As the largest company in the area, Yokohama Tire Philippines, Incorporated (YTPI) began business operation in Clark Special Economic Zone (CSEZ). Its main business is manufacturing Pneumatic Passenger Car Radial Tires. It has the capacity of an annual production of 7million tires. YTPI is carrying on the Yokohama brand tradition of craftsmanship, state-of-the-art technology and quality. Making full use of the splendid operating environment combined with highly advanced technology, YTPI guarantees not only high reliability and performance but also the highest quality in the tires it manufactures, tires that personify our slogan "Tires You Can Trust" in the Philippines.

Yokohama Tire Philippines, Incorporated (YTPI) has always been guided by the the corporate philosophy that promotion of industrial peace moves the company at the top of the ladder as "Quality Tires" producer worldwide. For 80 years since its establishment, its parent company Yokohama Rubber Co., Ltd.(YRC) has constantly kept this fact in mind during every step of the product development and production processes. In fact, it has produced high quality tires carrying the "Yokohama Brand" which are of the highest standard in the world. It's product (95%) is exported in Europe, Middle East, Asia, Australia and America, while the remaining 4% is for domestic consumption. Now, manufacturing such "reliable tires" has just started in the Philippines. Yokohama is committed to its well-known quality and safety policy.

At present, the company employs **2,232** employees. The company is non-unionized.

II. HISTORY OF DISPUTE EXPERIENCE

Yokohama Tires Philippines, Inc. is a non-organized establishment. There is however an existing Labor Management Council composed of 87 members with

9 officers and 3 committee heads. Any conflict that arises is resolved as soon as possible through LMC, the Chairman and Vice Chairman always see to it that minor problems should be resolved at their level.

In case of infractions of policy like absences, giving incentives to perfect attendees like rice allowance and cash benefit is the company's reinforcing strategy. Another strategy in avoiding conflicts is the infusion of cash benefits to anybody who can give suggestions to any problems, both physical and behavioral to anybody who can detect the problems and issues and give an idea for the possible solution of the same. Like in the absenteeism issue, the idea is to call the wife before issuing the memorandum for absenteeism; the wife will be told of the consequences of the husband's untoward behavior, so that the matter will immediately be resolved at the family level.

In cases of major problems like stealing and dismissals; proper due process procedure are observed such as: 1) written communication of the problem to be submitted to the LMC Chairman; 2) LMC's investigation of the matter; and 3) hearing – during the hearing the company must see to it that the LMC Chair or VC is present. Dismissal is only implemented on very extreme situations and after due process and hearing and consultation with LMC and top management has been exhausted.

III. **WORKPLACE DISPUTE SETTLEMENT**

A. Usage and Operations of Dispute Settlement Mechanism

d. *Efficiency*

Grievances are handled within *5 days* for all cases while *10-15 days* are given for grave causes that are subject for suspension. There is no mention of the costs incurred with the handling of grievances in the company.

e. *Voice*

There are three ways in which voice is represented at the workplace: a) Personal recommendations, suggestions, initiatives; b) Conduct of regular LMC meeting; c) Due process procedure in case of major violations of company rules.

The company conducts monthly regular meetings led by the committee heads. The meetings serve as venue for everyone to voice out concerns. The LMC comprises members from both the management and workers. It is well represented which makes the decision making body fair and just in rendering its outputs.

In cases of extreme situations where major infraction is committed, like stealing and the corresponding punishment is dismissals they must see to it that the rule of due process is properly observed, such as: 1) written communication of the problem to be submitted to the LMC Chairman; 2) LMC's investigation of the matter; and 3) hearing – during the hearing the company must see to it that the LMC Chair or VC is present. Dismissal is only implemented on very extreme situations and after due process and hearing and consultation with LMC and top management has been exhausted.

f. *Effectiveness*

By maintaining harmonious relations between parties, trust and confidence are built which gives a strong impact to clients and stakeholders. These made the company progress and even expand its operations by acquiring 28.2 hectares of lands for manufacturing site and thereby generate employment and improve the welfare of the community



B. Workplace Dispute Mechanism Impact to Organizational Performance

Because of the gained trust and confidence of the company, the company was able to double its operations. The company is now on the process of expanding its operations by acquiring more than double of its existing land area. The management explained that the manufacturing site of Yokohama, will now be focused to the Philippines. This means that additional employment opportunities will be created soon.

C. Factors Affecting Resolution of Disputes

The group identified the following as facilitating factors: (1) clear, harmonious and regular communication from parties, (2) transparency, (3) openness, (4) humane treatment, and the (5) Filipino value of pagmamalasakit. The hindering factor identified is absenteeism.

a. Recommendations

1. The group encourages the institutionalization of the grievance machinery however limits that implementation would need to vary by strategy and style depending on the culture within each company. They likewise agree with the implementation of the SENA.
2. Labor Education and trainings should be provided by DOLE which includes basic labor standards and relations.
3. There is no single solution to conflict management, that each company has its own peculiarity and culture. Company models should be documented and promoted but at the end of the day it is still the company who decides how problems, grievances or conflicts should be managed.
4. The setting of criteria is unnecessary. It is a good idea to share best practices and compare lessons and insights and that it is also good to be a big brother to other companies.

CASE NO.03 – Unilever Philippines

(The case of a leading Manufacturer of Personal Care and Hygiene in NCR)

I. COMPANY PROFILE

Unilever, is one of the top manufacturing company in the Philippines. It is a multi-local multinational company servicing in 181 countries worldwide. The company is a leading manufacturer of laundry detergents and soaps, shampoos and hair conditioners, toothpastes, deodorants, skin care products, household cleaners, and toilet soaps with an annual sales of over *14 billion pesos*. It employs over *1,000 people* nationwide.

The company has been a leader in introducing new technologies into the country since the early days of its existence. It works closely with NGOs to protect community and improve environment. In year 2000, the company received recognition for its environment management systems with an ISO 14001 accreditation. The company has adopted the Total Quality approach during the last ten years and was the first in our industry to receive the ISO 9002 accreditation.

For decades, the company has been known in the industry as a sound training ground for young Filipino graduates. Some of its managers have progressed to senior levels in government and public life. The company is proud of its heritage in the Philippines and is dedicated to its operation growing success global wide in the future.

II. HISTORY OF DISPUTE EXPERIENCE

In general, the company has a healthy labor-management relation. However, like any other company, labor dispute is indispensable at the workplace. Some of the problems encountered by the company that resulted to labor disputes/filing of labor case at DOLE include: interpretation of CBA, Notice of Strike, some HR services (outsourcing). HR manager explained that one of the HR strategies that become sources of dispute is a shift from human centered to contract centered HR. In outsourcing strategy, personal touch to employees was lost.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

g. **Efficiency** (Cost of Case Handling, Speed of Resolution)

The plant level grievance machinery and labor management dialogue is extensively being used before the case will be elevated at DOLE. In the company's recent labor dispute, the issues were discussed at the plant level extensively for *three weeks* before the case was elevated to DOLE. The management has an opinion that, in some conflicting issues, government intervention / third party intervention is needed, for the company to have resolution over the case.

h. **Voice** (Representation, Hearings, Justice and Fairness, Appeal)

The management explained that transparency and open communication are the core ingredients of their healthy labor-management relation. He explained that their discussions are being done formally through regular monthly meetings and informally through sports events and some other union activities or union's hangout outside their workplace. He said that most of the issues are easily settled through informal discussions. The management strategy of reaching out and ability to go down at the union level helps the company a lot in understanding the actual issues of workers, not only in labor relations matters but some operational issues as well.

The management relies on the legal procedures of settlement of cases, which includes notice and hearings. Legal representatives of both parties are always present.

i. **Effectiveness** (Performance and Productivity)

The management proactive attitude in grievance handling allows the workers to focus more on operational performance. The union and management healthy relationship and informal discussion at the plant level, helps in boosting the company's productivity. The management is also very generous to the workers, specially, when productivity is met.

a. Recommendations

1. Effective Labor Relations' information at the company level is very minimal. DOLE should strengthen their labor education program. They opined that DOLE should equip both workers and management with an effective tool in preventing labor disputes at the workplace.
2. Grievance Machineries should be further strengthened. DOLE should provide an adequate policy where the companies and unions should be matured enough to engage themselves in open communication and social dialogues.

Strengthen DOLE policies on labor-management partnership to remove the adversarial nature of union officials and management animosity.

CASE NO.04 – V.L. Makabali Memorial Hospital, Inc.
(The Case of Hospital Industry in Region III)

I. COMPANY PROFILE

V.L. Makabali Memorial Hospital, Inc. is a premier health care institution located at B. Mendoza St., City of San Fernando, Pampanga. It offers a wide range of In-Patient and Out-Patient services. It is currently in partnership with Medical Services of America (MSA-Pulmonary Specialist), St. Peregrine Cancer Special Inc., and Nephro Group of Dialysis Center.

Founded on August 11, 1957 by the late Dra.Venancia L. Makabali, the hospital had a humble beginning. It started as a six-bed Maternity Clinic, which catered to expectant mothers of the community. Now known as the V.L. Makabali Memorial Hospital, Inc., this institution operates with a resounding success, not only through intensive medical care of accredited and competent consultants in their subspecialties but also through untiring efforts, undying devotion of the management and personnel of this hospital.

At present, it employs 178 regular employees, 29 probationary employees, and 9 contractual employees.

II. HISTORY OF DISPUTE EXPERIENCE

The hospital is a unionized establishment with the union organization named as V.L. Makabali Memorial Hospital Labor Organization. It is affiliated with the Nagkakaisang Lakasng Manggagawa, a duly registered labor organization with Registration Certificate No. 10095-FED-LC. It is considered based on the agreement of the parties that the said union is the sole and exclusive bargaining agent/representative of all covered regular rank-and-file employees within the bargaining unit.

The union was established in November of 1980 and received its direct certification on December of 1988. The most crucial moment in the existence of the union was felt during the years 2004 to 2006 where the union filed a notice of strike to NLRC when people were removed from their posts. It was most especially done among the officers namely the president and the vice president where they were separated to different departments and their job posts changed. This is a mere chance of union busting as it may seem to the involved union officers. The relationship between management and labor was extremely adversarial.

It was only until there was a change in the management that the smooth relation between management and labor was restored.

Per CBA, all disputes between labor and management must be settled through negotiations until all points in dispute had been discussed and settled. Grievance is considered as a difference of opinion or dispute affecting the parties or any employee or employees as may arise from (1) matters relating to working conditions; (2) matters involving the interpretation of any provision of the CBA; and (3) matters that are not satisfactorily settled by other means.

III. **WORKPLACE DISPUTE SETTLEMENT**

The change of management and the fresh CBA negotiation in 2006 prompted both parties to have a change of heart and strategies. There was a change in management style of leadership and behaviour. The new leadership start befriending the workers specially the old union leaders who were victims of adversarial procedures. An open door policy of the management was established. Management lower herself to the level of the workers and entertained informal talks and casual openness. Through open communication system, workers started to regain the trust of the workers and openly giving feedbacks and suggestions both in administrative and operational status. Another management strategy is firing the HR manager and peace officers involved in collusion and getting a family member of old union leader as part of her confidential staff. Petty issues and problems are settled automatically by the management.

B. Usage and Operations of Dispute Settlement Mechanism

j. *Efficiency* (cost of case handling, Speed of Resolution)

Grievances are threshed out and settled by and between the shop steward or union representative in a given department and the department head of the hospital within two working days after the presentation of the grievance in writing. There is no mention of any cost incurred in the handling of grievances within the company.

Petty issues and problems affecting work or work relationship can be discussed openly with the management and the management can automatically render solutions.

k. *Voice* (Representation, Hearings, Justice and Fairness, Appeal)

Voice representation can be of two stages: a) during the pre-grievance process and; b) actual grievance

It was in the pre-grievance stage where an open door policy of the management is effective. The workers as well as the union leaders can go directly to the President to discuss the issues and concerns without fear of reprisals. The management can automatically act on the issues.

As regards the representation of the concerned employee, all steps in the grievance machinery follow a fair and equal representation from both parties. Appeal for the case when disputes are not satisfactorily settled is provided for in the CBA. Obtaining

evidences are based on past practices. Both management and union are included in the design and operation of the dispute settlement process. As mentioned, the president of the union takes a seat among the members of the board of the company and therefore participates in all the board's undertakings.

I. ***Effectiveness*** (Performance and Productivity)

Based on previous encounters of the officers, the hospital in terms of its performance improved to a certain extent together with the change in the management style of the company. The capacity to provide medical services to the community is now being restored.

B. Workplace Dispute Mechanism Impact to Organizational Performance

The positive impacts of new management style are: (1) problems are easily settled, (2) both parties are aware and knowledgeable of what needs to be done, (3) there is a harmonious relation between the management and the union.

However, the union officers identified the following as negative impacts to organizational performance during their labor dispute experience: (1) occurrence of a problem renders a paranoid attitude from the management; (2) employees are discouraged; and (3) not good relationship between the management and the union.

C. Factors Affecting Resolution of Disputes

The group recognized the following as facilitating factors in the speedy resolution of disputes: (1) regular monthly meetings, (2) direct communication with the union members and top management, (3) open door policy, (4) honesty and sincerity, and (5) earned respect from both parties. The hindering factors on the other hand are: (1) negligence, (2) manner of implementation, (3) closed communication, and (4) challenging the authority of the management.

a. Recommendations

They were able to provide recommendations on the following areas: improving the mechanism, concrete assistance from DOLE, incentivizing the program, and criteria to use. On improving the mechanism, it is necessary to put in place a grievance machinery to encourage the resolution of problems and disputes. It likewise ensures that the management follows a process. With it, both the management and the labor representatives can discuss matters that may aid in the resolution of the cases. On concrete assistance from DOLE, there should be a standardized wage increase among the regions. There should be regular trainings and seminars conducted by the DOLE to promote the welfare of the employees. On incentivizing the program, it promotes resolution of cases leading to early or speedy action from both parties. It would be better to investigate or conduct surveys prior to implementing the programs of DOLE. And lastly on the criteria to use, there should be a standard in the criteria across and among regions.

CASE NO.04 – PTON Corporation*(The Case of Computer Chips Manufacturing Industry in RO IV- A)***I. COMPANY PROFILE**

PTON Corporation is a Japanese-owned manufacturing company engaged in precision plastic injection and mold fabrication. It was founded on June 19, 1996 and is currently located within the Cavite Economic Zone (CEZ) in Rosario Cavite. It takes its place in the worldwide operations of the TOHNO Group of Companies. The factory site covers a land area of 2,500 square meters with a building area of 1,728 square meters. PTON Corp. owns a total of 33 injection machines and 12 mold fabrication machines. Their policy is to be the only one company in "creating products for customer reliance," in the field of precision plastic injection and mold fabrication. Likewise, it envisions to be the only one company in the field of precision plastic injection and mold fabrication industry in the eyes of the customers, shareholders & society, such that when the world market talks about quality excellence in precision plastic injection and mold fabrication, undeniably PTON is only mentioned. Presently PTON Corp. employs 107 direct regular employees and 34 contractual employees.

II. HISTORY OF DISPUTE EXPERIENCE

PTON Corporation is a non-organized company without any records of heavy or full blown cases filed with the NLRC. Nevertheless, the company ensures proper dispute handling and settlement through the Employee Disciplinary Procedures as provided for by the company. The procedure is designed to ensure that all employees are aware of and understand their rights and responsibilities relating to discipline. In the event of a grievance, the first formal action is the verbal warning which is instituted against an employee for failure to meet performance requirements, breach of the terms of employment of the company or other work rules. The procedures follow the requirements provided for by the company's employee handbook and the Labor Code of the Philippines. The company however is represented by a Labor Management Committee which handles collaborative efforts, programs, and activities for the benefit and welfare of the employees.

III. WORKPLACE DISPUTE SETTLEMENT**C. Usage and Operations of Dispute Settlement Mechanism****m. *Efficiency* (Cost of Case Handling, Speed of Resolution)**

Violation reports are submitted to HRAD within *48 hours* upon learning of the commission of the offense. Accuracy of the offense stated is verified and checked by the Department Head. There is no mention of the cost incurred in the handling of cases or grievances.

n. ***Voice*** (Representation, Hearings, Justice and Fairness, Appeal)

With the procedures in place, the employee is represented or given proper venue to represent him/herself when after the HRAD In-charge issues the approved Disciplinary Inquiry where the employee is required to answer within 48 hours. Failure to submit the answered disciplinary inquiry form shall be construed as a waiver of the employee's right to be heard and willingness on the employee's part to accept whatever disciplinary action that may be imposed upon him/her. Investigations are made based on the facts of the case using the 5W's and 1H method. Essential reports or evidences are acquired by setting up a meeting with the supervisors or the concerned employee to gather pertinent relevant information. The procedure was done based on what the company has practiced since its conception. These procedures however will be subject for review of the general assembly.

o. ***Effectiveness*** (Performance and Productivity)

Since there has not been any report of serious cases or grievances, there is no showing of differences in the effectiveness of the disciplinary procedures in terms of the company's performance and productivity.

D. Workplace Dispute Mechanism Impact to Organizational Performance

There was no mention of the impact of the existence of the workplace dispute mechanism to organizational performance. What was mentioned only was based on issues regarding quality.

E. Factors Affecting Resolution of Disputes

The group cited the following facilitating factors: (1) capacity to report, (2) existence of alarm systems or how the management or the labor representatives are made aware of such occurrence, (3) communication, (4) direct response to issues and concerns, (5) openness and transparency, and the (6) concept of shared responsibility. On the other hand, the group cited the following as hindering to dispute settlements: (1) restrictions, (2) hesitations, and (3) withholding of information.

a. Recommendations

The group recommended that the DOLE may provide assistance to workers and employees by ensuring an easy access to their regional and field offices. The presence of DOLE representatives or their availability should be strongly guaranteed. There must also be initiatives coming from DOLE to visit companies and see how the day-to-day performance of employees and employers are being maintained. The group likewise mentioned that people from DOLE seem to be overloaded of the work they are handling that gives a negative impression to employees or workers who are seeking assistance. They likewise mentioned that the regional and provincial interpretations on wage boards should be consistent to ensure standardized implementation of measures. It was recommended lastly that companies should provide an HR clinic where the employees may be able to voice out their grievances and employment concerns.

CASE NO.05**– BENGAR INDUSTRIAL CORPORATION***The Case of Plastic Manufacturing Industry in NCR***I. COMPANY PROFILE**

Bengar Industries Corporation is one of the leading companies that provide products and services vital in the manufacturing processes of various kinds of industries. It is one of the country's top 10,000 company, that specializes in providing conveyor belts, conveyor systems and engineering plastic parts. The company meets the individual needs of its clients by providing the right products and services at a fair price. With its dedicated staff, the company has excelled in providing quality products to different kinds of industries – mainly food and beverages, canning, packaging, meat/poultry, mining cement, tobacco, electronic and logistic industry.

The company values integrity, honesty and equality in conducting business relationship. Being one of the leaders in the industry, it maintains a progressive streak by constantly striving for excellence, engaging in various training opportunities for its employees and continuously upgrading its equipments. From a simple beginning of having 30 employees in 1990, The company has developed itself to become a medium size establishment with *180 workforce*. The company has *no union* but in close contact with DOLE through its Labor Education

II. HISTORY OF DISPUTE EXPERIENCE

The company had no experience of any grievance settlement at DOLE level. The management explained that the company's way of resolving any problem at the workplace is immediate and always a priority of the management.

III. WORKPLACE DISPUTE SETTLEMENT**A. Usage and Operations of Dispute Settlement Mechanism**

The company's strategy in settling dispute is openness and informal channelling to make the resolution swift, fast and effective.

p. *Efficiency* (Cost of Case Handling, Speed of Resolution)

The management explained that the company's way of resolving any problem at the workplace is *immediate and always a priority* of the management. They see to it that any problem that emerges should be settled within a day, so that no work will be disrupted. The management is always keen and sensitive to employees' needs and benefits by providing financial support system and credit line for employees needs. In this way, the company gains the trust and loyalty of

their employees, hence, disputes at the workplace will be avoided. In return, the employees are very transparent.

q. ***Voice*** (Representation, Hearings, Justice and Fairness, Appeal)

The workers can communicate their problem with the management openly. The HR manager is always open for a dialogue in case of conflict. She always seeks workers suggestions to resolve their problem, in this way HR manager gained the trust and loyalty of the employees.

The management strategy to create a spirit of trust and confidence to their employees is of going down to workers level, like mingling with them and being part of the team during their sports-fest. Informal discussions during events became a communication channel in surfacing the issues and concerns at the workplace. The management also went with them occasionally to let them feel that they are important and being a friend to them. This is also the management way of seeking the workers advise or giving counsel to informally resolve petty issues without need of going through informal process.

r. ***Effectiveness*** (Performance and Productivity)

The HR manager noted that their management relationship with its employees is treating them like a "family". The management representative explained the factors implemented by the company to avoid labor dispute and maintain harmonious relationship. Family treatment in management develops familial ties to the workers, wherein "pagmamalasakit" is heavily embedded. In return, the workers considered the company as their own and push them give their best to the company "pagmamalasakitan".

B. Workplace Dispute Mechanism Impact to Organizational Performance

Building of trust and developing loyalty to the company are two main factors implemented by the management to maintain harmony and productivity.

C. Factors Affecting Resolution of Disputes

The management representative explained the factors implemented by the company to avoid labor dispute and maintain harmonious relationship:

- *Family Approach -employees' support system* – the company sees to it that all the needs of its employees are met, like their childrens' educational needs, medical assistance to employees and their family and other emergency assistance and support. The company's cater financial assistance through loans

or grant to the employees to let them feel that they have shoulder to lean on in times of any emergencies. Likewise, the company supports regular gatherings like: all birthdays of individual employees, company outing and company sportsfest. The company believed that employees are fully motivated when they are happy and relax at their workplace, while doing their job.

- *Open Communication* - the management strategy to create a spirit of trust and confidence to their employees is the management style of going down to its level, like mingling with them and being part of the team during their sportsfest. The management also go with them occasionally to let them feel that they are important and being a friend to them.
- *Building of trust and developing loyalty* to the company are two main factors implemented by the management to maintain harmony and productivity. *Developing friendly competitions*, like regular bowling tournament, badminton tournament, etc. are some activities at the workplace where trust and loyalty is being developed.

E. Recommendations

1. Harmonious relationship can be achieved at the workplace through a) family approach support system, b) open communication and c) building of trust and loyalty by catering to the employees' individual needs, transparency and regular informal activities;
2. Developing a harmony and conducive environment is not only beneficial to the employees but moreso of company's benefit. Since, employees are more productive when they are relaxed rather than when conflicts and tensions are present at their workplace. One cause of company's delay in delivering their products to clients is a result conflicts and tensions at workplace.
3. Having a satisfied workforce will develop no reason for them to form unions and have CBA which might be adversarial during negotiation phase.

Continues conduct of Labor Education program of DOLE within the company premises develop the employees trust and confidence to the management.

CASE NO. 06 – EMGELHART MANUFACTURING CORPORATION

(The case of Plastic Industry in Region NCR)

I. COMPANY PROFILE

Aichi Forging Co. Of Asia, Inc. is a leading manufacturer of highly competitive forging products such as Steel forging and Dies and Vacuum heat Treatment products. It is strong team of global berth with the total capitalization of 1,411 Million. A registered enterprise located in a PEZA-accredited economic zone at Balibago, Sta Rosa, Laguna. The company is a top OEM producer of forged metal components of vehicles both for the Philippine automotive industry as well as other countries overseas. Among its customers are Asian Transmission Corporation (Mitsubishi), Isuzu Autoparts Philippines, Aichi International (Thailand) Co., Ltd., Toyota Motors Phils. Corp. (South Africa), PT Aichi Forging Indonesia, and Toyota Tsusho Corp. (Japan).

The company employs 267 highly skilled and experienced regular workers and 96 contractual workers. It has two unions: the Rank and File (R&F) Union, which has 168 members, and the Supervisory Union. The Rank and File Union claims to be an Independent Union, even if it gets labor education and other forms of support from militant labor federations. Both unions have existing Collective Bargaining Agreements (CBAs).

II. HISTORY OF DISPUTE EXPERIENCE

It was in 2009 where the rank and file unions filed two notices of strikes (NOS). The first NOS, was due to Collective Bargaining Deadlock and the second one was unfair labor practice (ULP). Even if the company did not experience a full blown strike, the production slowdown and picketing resulted to an estimated 10 percent drop in productivity per hour. When translated in money terms, this drop in productivity translates to substantial losses to company.

Management also observed that there seemed to be a marked decrease in productivity during CBA negotiation period. The productivity level went down to 30% in two negotiation phase: in 2007 the slope was from 70% down to 35% during the negotiation phase and in 2009, the productivity went down from 60% to 30%.ⁱ This also resulted to the withdrawal of orders in one major automotive part which is being supplied by Aichi Forging worldwide, a major loss to the company.

The Union, on the other hand, felt that management was short changing them if the financial statement was to be used as basis of the wage increases and other non-monetary benefits that should be given them.

The DOLE Secretary issued the first order assuming jurisdiction (AJ) over the labor dispute on 17 June 2009 and the second one on 22 July 2009. Both management and the union were directed to cease and desist from taking any action which may aggravate the situation. The labor dispute was completely settled on 23 March 2010 when the new Collective Bargaining Agreement was concluded. Both parties accepted the terms and conditions of the agreement to foster good labor and management relations in an atmosphere of mutual respect.

Upon resolution of the case in 2010, both the union and management learned lessons and gained insights from the AJ experience. Management claimed that the assumption of jurisdiction of the labor dispute at company was necessary to prevent the occurrence of actual strike that would compromise its commitments to the automobile industry in the country and overseas. He explained that the automobile industry is a chain of automobile part manufacturers that are dependent on one another to complete the supply chain. The parts should be delivered just in time and on time when they are needed. A full blown strike in company could have paralyzed production thereby delays in the delivery of auto parts, which negatively affected the supply chain of automobile production in the Philippines, in parts of Asia, and as far as South Africa. This situation did not only affected the supply of automobiles but more importantly, the livelihood of workers both in the automotive industry and the informal economy dependent on it. Moreover, work stoppage would also adversely affect the country's export industry.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

The new Collective Bargaining Agreement and the lessons learned from previous labor disputes prompted the company to change its management style and the unions to shape- up. It was in 2011, when the President of the company went down to the level of the workers, started to open the communication channels and become transparent in their business activities. All issues big and small communicated by the workers were acted by the President automatically, thus regaining the trust and confidence of unions. The workers on the other hand become transparent and open. Hence, mutual cooperation and trust were regained. The new strategy of the company in settling dispute at the workplace has produced the following:

s. Efficiency (Cost of Case Handling, Speed of Resolution)

An open door policies introduced by the management is very efficient. Resolution of issues and conflicts were decided automatically. Any problem that

might arise at the workplace is always a concern by the President. The workers can open freely his/her problem without hesitation with the top management. The President can act at the problem simple, fast and effective. Resolution of any issues is automatic. The President can issue an immediate order to their superiors or co-workers without any hesitation. Their foreign counterparts/clients are very keen with the labor relation' status of the company.

t. Voice (Representation, Hearings, Justice and Fairness, Appeal)

Voice representation at the workplace is of three layers: 1) individual workers weekly consultation with the President; b) monthly general meeting; d) union's representation when there are violations of company rules and regulations.

Individual consultation with the workers is scheduled twice a week. Every Wednesday and Friday, the President will talk to five workers of anything. This is the management's gesture of "pagmamalasakit" at "pakikipag-kapwa." Any issues, concerns and problem of an individual workers are resolved swiftly and effectively.

Regular monthly-general meeting is scheduled where individual or group of workers can raise any issues and problems and solutions or any ideas for the good of the company are likewise solicited. Issues and problems are also being resolved by the assembly during the meeting. Any problems that required further investigation or study can be resolved by small group meetings of workers and management.

Proper union representation during grievance procedure is properly observed during investigation, hearings, and up to the resolution of the case. After the decision was rendered, the President of union can still bargain of lessening the penalty of the decision rendered.

u. Effectiveness (Performance and Productivity)

In terms of workers' behavioural performance, the workers compensated the "pagmamalasakit" at "pakikipagkapwa" and extended benefits they gained through CBA by hard works and dedication. The workers are now committed to perform their best, because the management is now transparent of their earnings and now gracious enough to share the same with their workers. This spells the company's productivity.

B. Workplace Dispute Mechanism Impact to Organizational Performance

The workers hard works and dedication uplift the company's productivity and now the company supplies to 36 countries worldwide. Slowly, the company is now recovering from the lost 2009 – 2010 during their strike and assumption of jurisdiction experience.

C. Factors Affecting Resolution of Disputes

The factors affecting the resolution of their disputes fast and effective includes: a) maturity of the management and the unions – both of them understand the consequences of their actions and reactions to issues at hand; b) open-door policy by the management, transparency and openness of individual workers; c) the President's initiative to show "pagmamalasakit" at "pakikipagkapwa" to the workers – this kind of humbling act done by the leader of the company means a lot to the workers. The leader made them feel that they are very important factor in company's success.

In contrast, upon reflecting their dark experience in labor dispute mishandling, the hindering factors they enumerated includes: a) legal and adversarial procedures as dictated by lawyers prolonged and magnify their disputes resulting to company's loss and the workers losses as well; b) lack of communication, openness and transparency resulting to mutual mistrust and paranoia; c) both workers and management were suspicious of respective actions and reactions; d) brainwashing of rights without the corresponding responsibilities and obligations instigate disputes and conflicts.

a. Recommendations

1. Labor dispute mechanism and GM procedure should not be put in a box "ayaw ng de kahon". DOLE should do away with legalistic and adversarial procedure. DOLE should not dictate the companies on what legal matters to do, but instead they should provide a venue where the companies can share their best practices of resolving disputes at the workplace simple fast and effective.
2. Informal, liquid and open communication can lead to fast settlement of conflicts.
3. Mutual trust, confidence, cooperation leading to productivity is built by honesty, mutual respect, "pagmamalasakit" at "pakikipagkapwa." These values should be the primary factors in building harmonious relationship at the workplace.

CASE NO. 08

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San Miguel Brewery Inc.*(The Case of a Brewery Industry in Region VII)*

I. COMPANY PROFILE

San Miguel Corporation (SMC) has been very much a part of Philippine social life. Its most famous product, the San Miguel Beer, has been a staple in many Filipino celebrations like fiestas and kasalans. San Miguel Corporation is in fact one of the oldest corporations in the country, existing for 122 years already. As a huge and vast enterprise, it has expanded its operations throughout the country. In particular, SMC has established a plant complex in Mandaue City, Cebu, forty-four years ago: the San Miguel Mandaue Brewery. However, it was only 5 years ago that the SMC Mandaue Brewery was turned into an SMC subsidiary, which means that the brewery plant now operates on its own. Previously, since 1890s, the MMC had only three divisions: beer, softdrinks and glasses. The Mandaue Complex was established mainly for beer production and it was only in 2007 that it decided to spin-off the Mandaue Plant from the mother unit in Manila. Accordingly, the San Miguel Brewery Plant Complex is focused on manufacturing, producing supplies of beer for the whole of Visayas, Southern Luzon and Northern Mindanao.

At present, there a total of *306 employees* in the Mandaue Plant of San Miguel Brewery, all of them are engaged in either manufacturing or sales. Of these 306 employees, about 130 employees are union members who are regularly paid daily.

II. HISTORY OF DISPUTE EXPERIENCE

According to both workers and management of SMC in Mandaue, there has been no grievance complaint or strike in the plant since the 1980s, which sets the company apart from the rest since this period was marked by high incidences of union militancy as a result of the 1986 EDSA People Power Revolution. Both workers and management explained that resolution of conflict in the company has always been left up to the hands of the workers.

Both unions and management are matured and understand fully well their specific role in facilitating fair, peaceful and expeditious adjustment of all differences that may arise between parties from time to time. Both parties work together to promote and strengthen labor-management cooperation and communication towards achieving an increase in productivity and total quality products. The leaders of SMC Unions, Kahugpong as Ligdong Namumuo (KLM) exude a paternal character, for leading the workers for 32 years.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

On the one hand, as regards the dynamics of labor resolution in San Miguel Mandaue, union leaders have this personal observation: the HR department does not directly report to the front manager and instead has a direct line to the corporate leadership and this is what makes them really independent from company intrigues. They also said that union leaders and members submit themselves to the due process of law and abide by company rules and regulations, especially when it comes to suspension. They also said that the union disciplines its ranks, when it comes to company violations such as sleeping during working hours, among others.

The several seminars conducted by the Regional Conciliation and Mediation Board on labor relations and employee relations were also credited by both the management and the union of San Miguel Mandaue. The management said that they also pay for training of workers, as part of their HR Development Plan, so that they would also be informed of their rights as workers. The union also chips in for payment sometimes.

a. *Efficiency*

In case of minor workers' violations, problems can be resolved immediately, *within a day*. The union conducts its own investigation. When the violation reported is mainly due to machine errors and malfunctions, the union goes to the department manager concerned for clarification and when a member has really committed an offense, they report him. For their part, the Management looks at the circumstances. They said that what matters really in conflict resolution is trust and honesty.

In case of formal complaints, due process is observed through the following procedures: the filing of incidence report, giving a chance to the employee being investigated to explain, consultation with the HR, the violations being charged, the handing out of the notice to explain and the list of most likely infractions incurred as a result of such workplace violation. When the employee is given the notice to explain, he is given the chance to respond in writing *within 72 hours* and the immediate superior will find a decision that will close the case based on the results of the administrative investigation. If the ruling is not favourable, the union comes into the picture by negotiating and for their part, the management will consider the mitigating circumstance for lesser penalty.

SMC Mandaue has reached the point that their union has become mature, and that it does not anymore look just at the economic but also the social and human aspects of the company. In turn, the company returns the favour by giving more than what is due their employees through good benefits, bonuses

and grants. They said that San Miguel gives opportunities through SPP benefits, which also gives workers the chance to become stockholders and co-owners of the company.

b. ***Voice***

They cited openness, fraternal attitude, co-ownership of company, frank, automatic action and resolution of conflicts as their company's best practices. On conflict and issue resolution, they said that it is not structured. As a matter of fact, they said that they do away with the structures and they even removed monthly meetings of grievances. The rationale for this was that if they meet everyday why report grievances during monthly meetings, why should it not be reported today? That is why the management told the union that the moment they hear complaints, they should report it to them on the spot, immediately.

- ***Conflict Resolution in SMC Mandaue: From formal to informal***

They also cited a unique avenue by which SMC workers and managers are able to resolve their problems. They said that both labor and management go to a mango tree called "Manggahan" within the plant where they meet and talk informally to thresh out issues and concerns. There, they said, they become more natural, easy and at ease and tend to be frank, honest and who they are. Though there are no more formal communications, resolutions changes are documented. They said that the key to such a success is that management must have the ear and sincerity to listen and that workers also understand the situation of the company.

However, they also acknowledged that there is also a downside with the very informal and no documentation approach. Nevertheless, they stressed that this should never be considered as negative and that they could come up with a new approach that will go beyond the formal and structured approach. They also said that one of the reasons why they did away with structure was that it was negative for them and that they cannot insist on things not applicable. They said that today, the union and the management operate and work together on the basis of trust.

c. ***Effectiveness***

- ***Industrial Peace and Productivity in San Miguel Mandaue***

As a result of this harmonious relations, one of the most visible positive effects being felt by both labor and management is industrial peace, which also enables San Miguel union officers and TIPC directors to share their good practices with other companies. Also apart from this, they also have quarterly LMC meetings in which they conduct job grading.

More so, they also reiterated that complaints are not just limited to officers and managers but also extend to members. They also credited the DOLE

for pushing them to undergo through seminars on labor education. As a consequence of this, unlike before even when there is no grievance and when the labor resolution mechanism in SMB Mandaue was very much structured and documented, the management and union now take action immediately to address any complaint.

B. Workplace Dispute Mechanism Impact to Organizational Performance

Industrial peace that Mandaue Brewery is experiencing for 32 years has able to propel high productivity in the company. Although they admitted that it is quite difficult to measure and quantify the direct impact of industrial peace to workplace productivity, they said that the continuing profitability, stability and sustainability of the company are enough proofs of the positive impacts, benefits and fruits of industrial peace to San Miguel Mandaue. Plant volume production has also been increasing.

In addition, SMC Mandaue is the only brewery that has received Hazard Analysis Certification and other recognitions from international organizations like FDA, ISO, and CGMP, among others.

Further, they also said that this productivity that they are experiencing is also being translated into the company's community outreach programs and immersions such as feeding programs, tree-planting activities, and employee-management coastal clean-ups, among others, which according to them, are part of San Miguel's corporate social responsibility and philosophy that is: Caring beyond business.

C. Factors Affecting Resolution of Disputes

1. *Conflict Resolution is a Management Priority* - When asked why their labor conflict resolution is very effective, they said that when the company receives reports and concerns, the management listens to them and do not ignore them. They said that their people's concern is also the concern of the company and that has been the hallmark of San Miguel Mandaue's leadership style.
2. *Matured Union Leadership with Paternal Attitude* – SMC Union leaders are well respected, even by the management. Their sense of dedication to service and sense of ownership to the company gained respect from both sides. Union leadership has been like a good father of the family, since their leaders has been with the company since its inception and now more than 30 years of service. Despite of this success, they said that they still strive hard to improve themselves and stated that the challenge now, especially for the union, is to develop their next set of leaders and successors, so that the culture and value of trust and honesty that has been cultivated in the past will be embedded and passed on to the next leadership and the years to come.

3. *Open Communication, Right Away Feedback, "Kwentuhan sa Manggahan"* - is their informal way of resolving conflicts fast and effective. This kind of candidness helps give employees ownership of their actions thereby empowering them to do extra miles. The maturity of union leadership gained trust that even the management team can get reprimand if they acted beyond the culture of trust and malasakit.

D. Policy Suggestions and Recommendations

In cognizance of their best practices, the management and the union officers of San Miguel Brewery in Mandaue were asked about their thoughts on the grievance machinery and their policy recommendations that they would like to be implemented to help attain industrial peace in the workplace throughout the country..

Among the opinions and recommendations they made are as follow:

1. *Fast resolution of disputes at the company level should be awarded;*
 - There should be awareness of different labor resolution practices of companies and there should be comparison of notes and experiences by various company unions and HR departments;
 - Good intervention is to highlight those institutions where there are good labor relations and make them benchmarks for other companies and best practices that go beyond the structures, creates a virtual turf, union – rights, management – privileges. In short, the government should hype those companies with best practices by giving them awards and recognitions;
2. *Grievance Machinery as mandated by the Code is pessimistic, hence should not be promoted.*
 - The Grievance Machinery Procedure should be avoided as much as possible since it can lead to encouraging employees to complain, thereby creating a culture of complaining people.
 - The primary goal and mission is the attainment of industrial peace and productivity, not compliance with grievance machinery;
 - Change the name of the grievance machinery in order to the negative image that it carries (e.g. Relationship-Building Initiative or Council)
3. *Best practices are benchmarked, which provide the venue and standards but to follow such practices by companies is optional;*
 - Cascade best practices to organized and unorganized, provide venue for the model of best practices

CASE NO.07 – ENGELHART MANUFACTURING CORPORATION

The Case of Plastic Manufacturing Industry in NCR (Unionized Establishment)

I. COMPANY PROFILE

Engelhart Manufacturing Corporation is a leading manufacturers of PVC pipes, pitting, venyl floor and PBC doors. The company is located at Paseo de Blas, Valenzuela City. It is a middle sized company employing more than 100 workers. It started manufacturing Imperial PVC pipes since since 1962, it introduced the Super brand of PVC pipes which quickly gained wide usage today. The company has already passed ISO 9002 requirements and is in stronger in position to serve the growing markets in Luzon, Visayas and Mindanao. The company has earned the Philippine Standard of Quality Certification Mark for Imperial.

The company is characterized by core values of commitment, competitiveness and competence – values that have channeled through the company's manufacturing system. At present, it has *120 permanent employees* and in partnership with their company's labor union which is affiliated to PAFLU. They have signed CBA's with their employees. Its personnel manager and its union President are both an active member of Valenzuela City Tripartite Industrial Peace Council (VCTIPC). The company unites with the VCTIPC mission of promoting industrial peace and harmony amongst Labor and Management Sectors with government participation towards attaining productivity, quality, excellence, growth and social justice.

II. HISTORY OF DISPUTE EXPERIENCE

- In year 2000, the company experienced an intra-union conflict that almost resulted to strike. The problem lasted for almost eight months. During that time, the works at the company was disrupted, some of the union members picketted outside the company premises while other workers who chose not to join the picket line were given a chance to report for work at the company's another plant located at Quezon City. During those months, the workers were at the dilemma of choosing between going to job or joining the picket line. The personnel manager of the company was forced to enroll at UP SOLAIR to understand the intricacies of Labor Relations and the problems which their company was facing. It was also during those trying times that the personnel manager seeks the assistance of DOLE and the local government units to remedy the situation. Luckily, due to the continuous dialogue with the workers through the help of DOLE and LGU-Workers Affairs Office (WAO) the problem was settled after eight months.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

The company's labor dispute experience plus the schooling and continuous training at DOLE opened her mind of the developmental solutions and strategies to be employed inside the workplace to minimize if not to avoid labor disputes. Since then, the company employed a kind of management with a heart for labor. The owner of the company, who happened to be Christian, always makes rounds at the workplace and talk to the workers of any topic, from operational problem and strategies to problems at work. In this way, the employer was able to win the trust and loyalty of the workers. On the other hand, the workers became open to management and any problems that emerge at work can be discussed with the management immediately.

v. **Efficiency** (Cost of Case Handling, Speed of Resolution)

The kind of management style employed by Engelhart allows the management to resolve the issues and problems fast and effective. The employer was able to gain the trust and confidence of the workers that allows them to resolve the issues swift and fast. The management used different strategies and innovations in handling issues and problem with immediate resolution.

w. **Voice** (Representation, Hearings, Justice and Fairness, Appeal)

Voice can represented in various ways. The kind of management with a "heart of labor" strategies allows the workers to be open, honest and transparent to the management at any given time. The company's regularly scheduled programs where workers get together and have foods and friendly conversations is also the time where the management talked with them getting to know them at the personal level. In case of any problem at work or personal, the management door is open for counselling. A mere tap at the workers' shoulder will make them feel that they are important to the company.

Voice representation transcend beyond the workplace, by their joining to the Valenzuela City Tripartite Industrial Peace Council. VCTIPC at the local level, both employers and union representatives are advocate of labor and management cooperation and industrial peace.

x. **Effectiveness** (Performance and Productivity)

The management personal touch means a lot to the workers. A mere tap at the workers' shoulder will make them feel that they are important to the

company. In return, the workers pay gratitude and appreciation by performing their work well, thus boosting productivity level.

B. Workplace Dispute Mechanism Impact to Organizational Performance

The company is characterized by core values of commitment, competitiveness and competence – values that have channeled through the company's manufacturing system.

C. Factors Affecting Resolution of Disputes

The management employs different strategies inside the workplace to minimize if not avoid disputes as follows: a) Management personal level encounter with workers – *management with a heart for labor strategy*; b) Installing Christian Values among the workers; c) open communication and transparency; d) joining as members of VCTIPC; e) Family approach, get together program and family counselling; f) building workers cooperative.

F. Recommendations

1. All problems at the workplace, big or small can be solved through open and sincere dialogue. When both parties communicate, issues can be clarified and both parties can come up to an agreement/ settlement.
2. *Family approach in management.* Workers should feel that the management is concerned for their family's needs and welfare. Treating each other like your own family can develop a healthy relationship. The workers feel at home to their workplace, where they can perform job well without tensions. Domestic partnership at the workplace is vital toward achieving a common business objectives and goal. Attaining business success is domestic partnership at the workplace in action.
3. Regular assemblies and getting-together activities build: camaraderie, harmony, trust and loyalty to the company.

CASE NO.08 – Sports City International Philippines, Inc.
The Case of Garments Industry in Region VII- (Non Unionized)

I. COMPANY PROFILE



Sports City International Philippines, Inc. (SPI) is a multinational company that is located in Lapu-Lapu City, Cebu that produces apparels for the world's leading clothing brands, focusing more on sports wear. They produce clothes for sports brands and clothing lines like Addidas, New Balnace, Reebok, Saucony, Moving Comfort, The North Face, Brooks and 707. The company president is Mr. Gary Yu, a Taiwanese national while Mr. Wayne Huang is the country manager and Ms. Vicky Rose Ortila is one of the company's top honchos.



As a multinational company, SPI also has lots of production factories and facilities that are mostly based in Cebu. All in all, SPI employs *16,000 workers* in all of its factories. The workers in SPI are unorganized.

II. HISTORY OF DISPUTE EXPERIENCE

The company has no record of labor dispute experience. They develop a sophisticated way of handling disputes, simple swift and effective.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

The company is very much concerned about conflict resolution at the workplace. Conflicts should be settled *automatically*, otherwise their products would not be shipped on time or do not meet the quality standard. The management believe that it is very important to be sensitive to the needs of workers and let them understand the pressure on the part of the top management. The way of approaching people is of primordial importance in meeting the production targets. SPI is using several approaches to lessens formal grievance and lessens administrative work as follows:

- *Open door policy*- All employees regardless of status or position is encourage to discuss/clarify concerns with any officer of the company whom they feel could elucidate, resolve and alleviate their plight or concern.
- *SCI Hotline* – It is a communication mechanism where employees send out their concern through e-mail or text messages. The management in turn checks the authenticity and investigates a hotline senders' concerns or complaints then Management through the HR Department replies through public address. Employees may send out their suggestions, concerns or complaints to their respective factory hotline posted in their factories and canteen.
- *Employee Discipline Handbook* - In case of formal major infractions, the company has an employee discipline handbook, which contains sanctions and violations that contradict company rules. Whenever there are complaints, the company said that it allows workers to submit or fill up report or form (incident report and notice to explain) and then it will be received and resolved by the HR Department after the IR staff that was tasked to investigate the complaint has made and recommended the appropriate disciplinary action or measure for such violations The employees file papers and forms such as an incident report and then worker is requested to write down his explanation. In turn, the supervisor will have to come up with a recommendation so the HR can decide on the matter. And then afterwards, the employee accepts the decision or not, which is signed by the HR/Department Manager.
- *Grievance Handling should be the last resort* - If workers find the decision unacceptable, they can still follow through or appeal their cases and make formal written complaint. Once this happens, a formal investigation is undertaken by the factory management and hence the formal grievance machinery is set in motion. However, they said that there are fewer follow-throughs in the company. If there are, they let the concerned personnel talk to aggrieved party.

a. ***Efficiency***

SMS Hotlines for Conflict Resolution –resolve issues swift, fast and effective.

In cognizance of the fact that there are more than sixteen-thousand employees in all SPI workplaces who are unorganized, the company said that it has decided to come up with innovative ideas and means by installing a complaint hotline through which SPI employees and workers can send text messages and make calls to report any complaint or violations within the company. They have also put up suggestion boxes in the company for any suggestion to improve workplace policies and conditions in the plant. They said that any individual can make any complaint, although most of the time, while they identify the factory where they work in, callers do not give their names and are anonymous. As a result of this, the factory manager and the HR manager can give regular updates to the top management. More so, instead of complaints being delivered to their main clients like Adidas, they are able to filter such concerns and are able to resolve them within plant level.

b. ***Voice***

The company develops a multi communication channel where workers' voice of are represented as follows: a) open door policy; b) monthly pulung-pulong; c) employees suggestion System; c) SCI hotline; d) Management Chain of Communication System, e) Toolbox Meeting, f) Newsletter, g) Sending of Daily activities to immediate Heads, h) SCI-TV

SPI explained that it takes everything seriously, even if it is a complaint about having no water in the CR or no uniform or work-related issues like being scolded by supervisors due to tight schedules. In turn, the company gives feedback through the bulletin board or the plant's paging system and acts on everything that the management should act on.

Through monthly pulung-pulong, the company's top management is able to meet with all workers' representatives (sections, departments) and rank and file employees, regularly. With this, all the concerns of workers are listed down and are relayed to the top management so that they can reply immediately and make necessary actions.

c. ***Effectiveness***

Through these high-tech communication channels, the management is able to manage more than 16,000 workers effectively, with only one HR manager. Production are met and shifted on time to the international customers.

Their international counterpart are able to check the labor relations status of the company anytime, using their multi media communication technique.

The company aims continuous improvements in human relations, particularly, the relations of line leaders and operator, which are sources of very human and also work-related problems since Filipinos are sensitive, in order to ensure workplace harmony.

B. Workplace Dispute Mechanism Impacts to Organizational Performance

With their innovation of setting up hotlines to receive complaints, SPI said that there are no more barriers in communication and that there is improvement when it comes to fast responses and speedy resolutions to concerns and complaints of workers. Afterwards, they also make follow-up clarifications and counselling with the concerned individual or party.

C. Factors Affecting Resolution of Disputes

SCI Innovations in communication system using modern technology is the major factors in swift resolutions of conflicts and issues at the workplace

D. Recommendations

1. When asked as to what good recommendation they can put forward to improve and innovate labor conflict resolution mechanisms in the country, SPI said that companies should tap the social media, the internet and the short messaging system as a means of interactive overseeing of labor relations.
2. They also added that it would also good to cascade best settlement practices online.

Apart from this, they also stressed the importance of team-building and fellowship of both the workers and the management.

CASE NO. 10 – Philippine Associated Smelting and Refinery, Inc.
The Case of Copper Mining Industry in Region VIII (Unionized)

I. COMPANY PROFILE



The Philippine Associated Smelting and Refinery, Inc. (PASAR) is a copper mining corporation located in Isabel, Leyte. It is one of the major projects of the Philippine government during in '70s to maximize the Philippine copper industry. PASAR, as it is commonly known, is the only copper smelter and refinery not just in the Philippines but in the whole of the Southeast Asian region.

Previously, since its founding in the 1970's up to 1999, PASAR was a government-owned and controlled corporation (GOCC). PASAR plant started its operation in 1983, its plant costing US \$300M was designed to process 500,000 mtpy of copper concentrates with a capacity to produce 138,000 metric tons of grade A electrolytic cathodes annually. Its market outlets include, Japan, Southeast Asia, Korea, Taiwan, China and 5.7% local market. PASAR is the major contributor to the economic growth of the surrounding communities with the recent local tax paid to Isabel amounting to P99,755,395.73

In 1999, the state-owned mining corporation was entirely privatized and bought by Gleen Corporation. As a result, there was a change in both leadership and management of the company. PASAR purpose, vision and values has changed over the years today its purpose, vision and core values are: purpose-improving people lives; vision – to be the benchmark copper smelter and refinery by 2012; core values – fairness, teamwork, integrity, malasakit and excellence. PASAR currently employs 1,020 highly trained personnel, mostly from the locality.

II. HISTORY AND WORKPLACE DISPUTE SETTLEMENT



PASAR has been noted for the incidence of militant unionism during the 1970s and the 1980s. At the time, COPPER, the organized labor union in the company, federated and affiliated itself first under the banner of the Associated Labor Union (ALU) then to the National Labor Federation Union (NAFLU), which is in turn also aligned with the well-known left-wing labor union Kilusang Mayo Uno, or more popularly known as KMU.

During this time from the 1970s until the company was wholly privatized, the union engaged in radical steps and activities including strikes, production delays, plant disruptions and work stoppages. There were 6 strikes that took place from 1987-1999 amounting the company the loss of P499,459,237.00.

In year 2000, there has been a sunrise in the industrial relations in PASAR in the year that would make the company a benchmark in industrial relations. This sunrise in PASAR has been attributed not just to the privatization of the formerly state-owned copper smelting and refinery corporation but also the change in the leadership style and management approach of the new company.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

As a result of these organizational and structural changes and reforms within the company, there has been no work stoppage since 1999 and no filed grievances since 2006 in PASAR. A number of reforms and changes were introduced by the company's top leadership to ensure peaceful and harmonious industrial relations between labor and management. Among them were the introduction of pre-grievance mechanisms, better union-management working relationship and employee involvement in the corporation's community activities – changes which have resulted into increased employee satisfaction and high productivity in PASAR. In other words, there was a magical touch wielded by the company to cut and douse labor hostilities and discontent among its workers by immediately addressing their needs and concerns.

Improved Union-Management Working Relations and Self-Imposed Disciplines

Thus, it can be said that there has been not just a change of structure of PASAR (from state ownership to privatization) but also a change of attitude when it comes to labor relations from militant unionism (during the pre-privatization era of the 1980s-1999) to responsible unionism (from 1999 up to the present).

As a result, COPPER, the union of PASAR employees, declared itself an independent labor organization and dissociated its previous affiliation from NAFLU-KMU on February 14, 2005. With that, the labor union was freer to dialogue with management. If in the past there was gap between labor and management, there were now good relations between the two parties. Due to this harmonious relation, benefits went up and sustaining this kind of motivation in the workplace has been given emphasis by PASAR. Workers also attributed the improvement not just in labor relations but also in working conditions and benefits to the privatization and change of management in the company. Also, apart from this, being independent, COPPER is now in a much better position since they now have livelihood loads from PASAR, which was incorporated in their CBA.

a. ***Efficiency***

Minor issues and concerns are addressed *immediately*. Further, the Labor-Management Council, as a means of resolving labor disputes within PASAR, was also introduced and instituted. Furthermore, a Managers' Forum was initially created to address issues of the day. Moreover, the company also created the Industrial Relations Department to address work disputes and issues. Consequently, Industrial Relations (IR) groups were created per department and line management and Board of Director members so that they could interact more with the people, converge with one another and discuss causes of problems, violations and the process of discipline measures and actions.

As such, the *IR Teams served as pre-grievance mechanisms*, however if there is non-conformity, the erring party and management enter into an agreement that the erring worker would be exempt from the sanction for the time being but if the said worker would commit the same mistake next time, the penalty that will be imposed would be much higher. In other words, the IR groups serve as a means of fostering mutual understanding of rights and responsibilities on the part of both labor and management.

As regards, disposition of cases, the company encourages that as much as possible, resolution of matters should be immediately done at the level of the line management. Usually, pre-grievance resolutions take *3 sessions at the longest*, to ensure that the decision that will be made would be acceptable to the parties involved. And if there are grey areas, they really have to buckle down to work to thresh things out.

b. ***Voice***

Other means of improving industrial relations

Apart from this, the company management also conducted seminars on work and corporate values, opened communication lines, provided empowered coaching for its employees and workers, improved labor relations and encouraged regular publication of its newsletter COPPERFLASH to give employees regular updates and ongoing activities of PASAR. More so, the company has also partnered with the Department of Labor and Employment and the National Conciliation and Mediation Board in order to enhance its industrial relations and labor education programs.

Hence, in its quest to break away from its past which was marked by labor unrest and to develop peace process models and to share its best industrial relations practices with other companies. PASAR made itself a guinea pig of change for its own sake and betterment.

Unlike before, workers and management people now converge and arrange meetings to sit down and discuss the best ways and means to resolve any problem or misunderstanding within the company. Not only that, the management also imposed self-regulating and correcting measures. It discovered little by little its own management and systems failures, its lack of knowledge on discipline and CBA approaches and strategies. The management also penalized its own ranks and also used a carrot stick to correct itself, as well. For its part, COPPER has also stated that it does not tolerate the violations of its union members and subject them to due process for proper resolution and action.

c. ***Effectiveness***

Improvement of Labor Relations in PASAR shows positive effect.

There is now a faster and more open line of communication between workers and management people. This in turn has cultivated a sense and culture of sincerity, trust and strengthened and harmonious relationship in the company.

As such, whenever problems arise, the IR teams created within PASAR immediately try to resolve these disputes before they become serious grievances. Also, when there is misunderstanding or misinterpretation of the contents and provisions of the Collective Bargaining Agreement (CBA) between Union and Management, the Labor-Management Council is convened by both parties to iron out any crease in the company. More so, safety committees are tasked, on the one hand, to tackle occupational safety concerns. And whenever there is an employee complaint, the Human Resource Department responds instantly to address the issue

B. Workplace Dispute mechanism Impact to Organizational Performance

As a result of these reforms within PASAR through the efforts of both union and management, there has been a huge impact to the lives of the people running and working for the company. Most significantly, the interpersonal relations between workers and employers have been greatly improved, which many attribute for PASAR's continuing productivity.

CBA's were conducted successfully with less stress, smooth and with shorter time. LMCC was used as a venue for early discussion of the CBA provisions. The warring factions brought about by inter-intra union conflicts were put to rest by LMC forums. Both parties agreed that spirituality is a very important ingredient in the labor counselling and talks that they conduct for workers.

Now, PASAR became recipient of outstanding awards. PASAR consistently achieved both regional and national awards on industrial peace and harmony. Today, the PASAR-COPPER LMCC shares its best labor-management approaches and practices to other industries bringing great influence and stability of Region 8. Strike in the region were put to rest since 2003. RELAMACOP continued developmental and sustainability effort is cascaded throughout the region.

C. Factors Affecting Early Resolution of Dispute

Some of the major factors affecting the early resolutions of disputes include: a) change of management, creation of LMC, creation of industrial team as pre-grievance mechanism and maturity of unions, from having a federation, union is now independent and can negotiate with the management freely.

Other contributing factors in attaining peace and harmony at the workplace includes company activities like: a) sportsfest and wellness program, b) other family activities, c) corporate social responsibilities.

D. Policy Recommendations

Today, PASAR-COPPER LMCC shares best practices as an advocacy for industrial peace and harmony not only in Region 8 but also in other localities.

CASE NO. 11 – LEYTE II ELECTRIC COOPERATIVE (LEYECO II)

The Case of an Electric Industry (Unionized Establishment)

I. COMPANY PROFILE

The Leyte II Electric Cooperative, Inc., or more popularly known as LEYECO II, is an electric cooperative that has been providing electricity in the province of Leyte, mostly in the highly urbanized city of Tacloban, for 37 years. LEYECO II is designated and operates as a cooperative by virtue of a special law which mandates electric companies in provinces to organize and constitute themselves as cooperatives to ensure the delivery of such an important public utility like electricity and electrification of rural areas and provinces.

LEYECO II, as an electric cooperative, and is duly registered with the National Electrification Administration. Being an electric cooperative, LEYECO II is owned by its member consumers. A member consumer has one vote in the cooperative. LEYECO II has 5 members and officers in its Board of Directors.

At present, the cooperative employs *166 people*, which include linemen, electricity supervisors, finance associates, human resource managers and marketing officers, among others. The workers and employees of the cooperative are organized by virtue of the fact that union organization and association is permitted in the company.

II. HISTORY OF DISPUTE EXPERIENCE

LEYECO II currently has two existing unions within the company. One is independent and the other is associated. The existence of two unions in the company is quite unique and peculiar since the first one, LEYECO II Supervisors' Union (LSU) caters to LEYECO II supervisors while the other one, LEYECO II Employees' Union (LEU) gathers rank and file employees and workers of the electric cooperative.

LEU, Accordingly, between the two existing unions, the first one to be organized and founded is the LEYECO II Employees' Union. The LEU was founded on August 8, 1986, a time when the trend and spirit of labor unionism and militancy was on the rise as a result of the democratic space and expansion that was brought about by the historic 1986 EDSA People Power Revolution. The LEU was affiliated with the Associated Labor Union (ALU). It was said that the primary reason why the LEU was organized was due to the demand of its workers' desire to call and clamor for higher wages and better Collective Bargaining Agreement (CBA) terms and conditions.

Due to the rising trend of unionism at that time, strikes have been a constant social fixture not just in Leyte but in the whole of the Philippines, as well. One of the memorable strikes etched in LEYECO II's institutional memory and history was the 1994 strike, which was caused and precipitated by an office reorganization.

However, in the recent years, only 2 conflicts between labor and management were recorded but were duly and properly resolved. At present, the LEU has 145 union members. 100 are regular employees, 3 are probationary while 42 members are contractual workers. It was only last year that the union began including and admitting contractual employees as members.

LSU, is a supervisory union in LEYECO II. LSU came into an inception at a time when company supervisors were banned from joining the regular employees' union in 1996. In view of this, since they cannot mix with rank and file employees due to ethical considerations and conflicts of interest, LEYECO II supervisors decided to create their own independent and unaffiliated union. However, as a union, they wait on the approval of agreements between the LEU and the management as a matter of courtesy and delicadeza. Further, almost all provisions of the CBA of the LEU are similar and almost the same, with some very few changes and alterations, with that of the LSU's.

Relations between Labor and Management in LEYECO II

As of the latest, the last CBA between the LEU and the LEYECO II management was signed just early this year on March 14, 2012. Nonetheless, the benefits and increases provided in the said CBA are to be given on a staggered basis, due to the current financial standing of the cooperative, a fact that was understood by LEYECO II employees.

On the overall, both employees and management-level officials of LEYECO II have agreed that there is a very harmonious working and even personal relationship between union and management within the company.

III. WORKPLACE DISPUTE SETTLEMENT

F. Usage and Operations of Dispute Settlement Mechanism

The company use informal way in resolution of labor disputes and conflicts within the cooperative, both the workers and the managers stated that they usually thresh out and iron out issues and problems at the level of the Labor-Management Councils (LMCs). According to them, even "*grievable*" offenses and concerns are also brought for resolution to the LMC. They said that in order to speed up resolution of cases and issues, LEYECO II union members and officials

and top company honchos and managers utilize the LMC as a pre-grievance machinery tool.

a. ***Efficiency***

The provision for availing the grievance machinery for those with issues of tardiness is within *48 hours for discussion*.

b. ***Voice***

According to LEYECO II employees and union members, self-realization among them helped a lot in becoming more mature and open when it comes to dialoguing with the management in resolving labor issues and disputes. They said that from always being hostile towards the management in the past, they have learned to observe and practice a more responsible kind of unionism. The LEU also credited the labor education seminars and workshops on conciliation and mediation being offered both by the Department of Labor and Employment (DOLE) and the National Conciliation and Mediation Board (NCMB) as one of the factors why they have acquired new perspectives on labor unionism and dialogue with management.

c. ***Effectivity***

As a result of good relations between labor and management in LEYECO II, there were no reported grievances for 2011. It was also noted that the last actual strike that took place in the company was in the year 2000 when a new uniform policy was introduced by the management. Since then, no strikes were recorded or reported.

G. Workplace Dispute Mechanism Impact to Organizational Performance

When asked about the positive effects and impacts of the Grievance Machinery, the LEYECO II employees and union members stated that one of its key features is that the GM serves as a tool that ensures the protection of workers' rights, especially when an employee feels that he or she was unjustly sanctioned or penalized by the company for something that he or she did not really commit or violate. This, they said, is one major reason why an employee turns to the grievance machinery for addressing labor matters and concerns.

They cited an actual case which concerns employee promotion. It was said that an employee questioned the process of promotion in the company last year. The case was brought to the grievance machinery but then was elevated for voluntary arbitration. At present, the case has been referred back to the LMC level, since they view it as a more effective way of resolving the issue.

Though they resort to the grievance machinery, they only do so in very rare and serious occasions such as the one aforementioned. LEYECO II union officers and managers both said that they prefer the LMC more since they have good working relations and thereby can easily open up to one another.

B. Workplace Dispute Mechanism Impact to Organizational Performance

As for the side of the LEYECO II management, they said that one of the positive aspect of the grievance machinery is that it guides them that the sanctions they make are in accordance with the law and that it also assures them that the steps they make and take do not aggrieve and curtail the rights of their employees and workers since they only follow what is stated and provided for by the law. They also said that the existence of the grievance machinery assures workers that they also have other means to turn to aside from the LMC but nonetheless, it does not guarantee that it will have the same effect or efficacy as that of the usually amicable resolutions and settlements made at the LMC level.

As regards the negative impacts of the grievance machinery, both sides agreed that it causes immediate rift between labor and management and creates gap and distance. At times, such gaps and distance also affect the results, productivity and outputs of the organization in a negative way.

As such, to avoid such scenarios, the management already gives what they think their employees need and demand and do not anymore wait on them to voice out their problems since they also do not want to exploit their employees. They also said that what they want is to strengthen working relationships between labor and management, break office barriers and provide open communication lines between the two sides and parties.

H. Factors Affecting Resolution of Disputes

Among the positive factors cited for speedy labor dispute resolutions within LEYECO II are the good relations between employees and management, open communication lines, honesty and sincerity and mutual respect between the two parties. Apart from these, the LEU invite the management to their activities so that they could have more time for bonding. They also invite the LEYECO II management to their charitable drives and projects such as gift-giving activities, feeding programs and other mission activities.

As regards how they resolve issues and disputes, both sides said that they always try to seek a middle way and that they try to meet halfway. The LEU officers cited their recent demand for an increase in their wages. Though they said that they were clamouring for salary hikes, they deferred it because they

understood the current difficulties being faced by LEYECO II when the management explained to them the financial standing of the cooperative. Nonetheless, the LEU officers still reiterated their call and demand for higher wages, albeit at a later time since they would still wait and work hard with management to turn around the financial situation of LEYECO II.

When it comes to hindrances in grievance resolutions, both parties said problems would only arise when the concerned party is not amenable to the decision or resolution made, despite the tedious efforts and dialogues that were exerted in the process. Also, the current financial standing of LEYECO II was cited as hindering factor in grievance resolution since it constrains the management from giving in to the demands of employees of the cooperative. Another external factor that was cited as a major hindrance is the impending shake-up of the electric cooperative industry due to the impact of the amended and revamped Electric Power Industry Reform Act, otherwise known as the EPIRA Law, a challenge that both employees and management of LEYECO II agreed to face hand-in-hand for the good and sustainability of the cooperative.

a. Recommendations

1. What should be incentivized is best practices in dispute prevention, rather than dispute resolution. Emphasis should be on dispute prevention first and that the grievance machinery should be the last resort and the last recourse.

For its part, both the union leaders and managers of LEYECO II said that the best way to incentivize the Grievance Machinery and utilize the Dispute Settlement Program more effectively is when both parties grow mature, have self-realization and mutual respect for one another, and have a change in perspective and attitude towards one another as workers and leaders of the company. In this way, disputes and problems can be settled at an earlier stage. As such for them, the best way to incentivize is to strengthen the benefit of the good relations between labor and management.

CASE NO. 12 – San Pedro Hospital of Davao City, Inc.

The Case of Hospital Industry in Region XI (Organized Establishment)

I. COMPANY PROFILE

San Pedro Hospital of Davao City Inc. is a Catholic non- stock, non-profit, training institution committed to the care of the sick and the poor, the education of health professionals and the delivery of quality health care to all. The San Pedro Hospital is owned and managed by the Dominican Sisters of the Trinity, Inc. It is governed by ten (10) members of the Board of Trustees and, managed by the Administrator who is at the same time the President of the corporation. A lot was purchased in Sta. Ana Street and the opening of the new SPH with fifty bed capacity was done on May 1, 1950. In 1954 another wing was constructed which increased to one hundred (100) bed capacity. In 1964, the construction of a 4-storey building that could accommodate three hundred fifty (350) beds began. It was inaugurated on February 11, 1969.

At present San Pedro Hospital has 295 bed capacity and 20 bassinets. It has its outreach program serving the less fortunate brothers and sisters in the community. As a training hospital, it has various student affiliates from different schools within the city with a variety of health and medical professions. The hospital is accredited by the Department of Health with a list of licensed and accredited medical services. It is also accredited by the Philippine Health Insurance Corporation and provides services to various Health Maintenance Organizations. San Pedro Hospital of Davao City, Inc. has also achieved International ISO 9001:2000 Certification. Presently the company has 758 employees.

II. HISTORY OF DISPUTE EXPERIENCE

The company was unionized since 1974. And it holds regular meeting through the LMCs. The San Pedro Hospital Employees Union – FFW, is a legitimate labor organization duly registered with the Department of Labor and Employment and affiliated to the Federation of Free Workers with branch office at B. Lozano Bldg., C.M. Recto St., Davao City. The union has been duly certified by the National Labor Relations Commission in an order dated September 17, 1973 in case no. 022, as the sole and exclusive bargaining agent of the rank and file workers of the San Pedro Hospital of Davao City, Inc. The Union was founded with the intent and purpose to establish harmonious labor-management relations.

Per collective bargaining agreement, grievance is any dispute arising out of the interpretation and application of any provision of the CBA including disciplinary measures against any member of the union for violation of the rules and regulations and policies of the Hospital.

Previously, the relationship between management and labor was to a certain extent adversarial. It reached to a point where the company decided to lock out employees due to the circumstances during that time leading to that adverse result.

III. WORKPLACE DISPUTE SETTLEMENT

IV. Usage and Operations of Dispute Settlement Mechanism

y. *Efficiency* (Cost of Case Handling, Speed of Resolution)

An aggrieved party or employee files his grievance in writing to his/her immediate superior furnishing a copy of said grievance to the Union Steward. The employee has two days from the time the cause of the grievance occurred to file his grievance. Failure on the part of the employee to file within the said period without justifiable cause will mean a waiver of the grievance. The immediate superior and the union steward shall hear the grievance within two days from the receipt of the notice. There was no mention of the cost in handling grievances or cases.

z. *Voice* (Representation, Hearings, Justice and Fairness, Appeal)

CBA's are developed where the general assembly is involved. There is equal representation in handling grievances and cases. Hearings are represented by both the management and the union through the supervisors and the shop stewards. Decisions are rendered with the consideration of the welfare of the family of the employee. The core values of the hospital are very significant in the decisions made by the management. The appeal process is provided for by and in the constitution with a maximum of three days of written appeal or attendance in hearings otherwise it is forfeited.

aa. *Effectiveness* (Performance and Productivity)

Financial capacity of the company is always considered in the construction of the collective bargaining agreement. As mentioned by the management, performance of the hospital is very much affected to even come to a point of lock out just to avoid failure of the hospital to render medical services. The existence of the grievance machinery and a harmonious relation gave way for an improvement in the performance of the hospital with a speedy resolution of the grievances. Budget proposals as presented in budget hearings for the next year show as increasing as compared to the previous budgets of each department which show financial viability of the hospital and progress.

V. Workplace Dispute Mechanism Impact to Organizational Performance

The positive effects as noted by the management are the following: (1) they will no longer be burdened of the issue of terminating or rendering disciplinary actions to employees, (2) employees are not inclined into committing grievous acts/prohibited acts due to the generous benefits that the company provides, (3) there is improved working relationship through the LMC as issues no longer worsen, (4) attitudes of the union officers to the management are no longer adversarial, (5) maturity of the officers and the management where there is give and take relationships, and (6) both have learned to balance things.

The negative effects as noted by the union are the following: (1) strikes as one where parties do not cooperate, (2) management is not open to communicate and are not willing to talk, (3) no consultation which brings about one-sidedness, (4) lack of trust and (5) there is no transparency.

VI. Factors Affecting Resolution of Disputes

The facilitating factors as enumerated by the union are the following: (1) open communication, (2) team work, (3) availability of the employee to counsel, (4) trust and respect, (5) transparency, (6) considering everyone as family as a whole, and (7) sincerity.

The hindering factors as enumerated by the management are the following: (1) non-compliance with the agreed processes resulting to difficulty in implementation, (2) non-cooperative as form of resistance, (3) delayed reports in cases or grievances, (4) very insistent attitude of any parties, and (5) no action done by the section head where employees go directly to union and the issue then worsens.

a. Recommendations

As mentioned in the group discussion, the recommendations for implementing programs are as follows: (1) strengthening the LMCs in the companies, (2) openness of the management and union, (3) compliance of both parties with what was agreed upon and cooperation, (4) dilly-dally attitude should be eliminated and action must immediately be rendered.

Some of the concrete assistance requested from the DOLE as mentioned by the group are training assistance and programs that promote LMCs, grievance handling, and other relevant matters and discussions on labor and employment. What has been recommended is the concept of witnessing as a best practice measure in the workplace mechanism of dispute handling.

CASE NO.13 – Philippine-Japan Active Carbon Corporation
The Case Charcoal Manufacturing Industry Region XI (Unionized Establishment)

I. COMPANY PROFILE

Philippine-Japan Active Carbon Corporation is one of the world's finest manufacturers of Activated Carbon from Coconut Shell Charcoal. It was established in 1972 as the pioneer in its industry. As *the pioneer industry* in the manufacturer of activated carbon in the Philippines, it is the only company granted by the government to operate at **100% Japanese capitalization**. A material produced by coconut shell in steam process as to yield a porous structure, creating a very large internal surface area. Activated carbon is available in both powdered and granular forms, and is widely used to adsorb organic compounds from water and wastewater. It provides a means of removing tastes and odors from drinking water. The company produces quality products which made them earn the [ISO 9001:2000](#) accreditations. They commit themselves to quality in the manufacture of activated carbon to ensure that their customers and all interested parties are ultimately satisfied with the overall performance of the organization. The primary suppliers are gold mines from South Africa and these are used as replacement in mercury and cyanide, filter, and water purifiers. The business is expanding as the use of active carbon is increasing. Their clients are comprised of several countries around the globe. The company resides at Malagamot Rd., Panacan, Davao City. It has received its NSF 61 certification since 2008. It currently employs *100-150* regular employees.

II. HISTORY OF DISPUTE EXPERIENCE

The Union was organized under its local name of Nagkahisusang Mamumuo sa PJAC-FDLO which was then federated with Southern Philippines Federation of Labor-KMU and is now affiliated with the Federation of Democratic Labor Organization (FDLO), a legitimate labor organization duly registered with the Department of Labor and Employment. The union has been certified by the DOLE in LRD No. LR-108-82 as the sole and exclusive bargaining agent of the regular rank-and-file workers of the company.

Previous to the experience of the incumbent HR Manager, the relations between management and labor was hostile without an organized process. Issues on regularization were brought to the extreme even to the point of strikes and mobs in front of the office. The HR manager now initiated changes in the company by educating the Japanese owners in the effort to improve the relationship between management and workers. He was previously alleged as pro-union but defended that the employees are still the management's

responsibility. He acted on behalf of the employees in terms of requests to grant hospital bills which amounted to more than hundreds of thousands and dealt with it fairly by submitting that the company will have to make use of the employee's retirement pay to finance the said bills. The HR Manager knew and understood very well the conditions of the employees and their basic needs.

Per collective bargaining agreement, the parties agreed on the principle that all disputes between labor and management may be settled through friendly negotiation; that they have the same interest in the continuity of work until all points and disputes have been discussed and settled; that an open conflict in any form involves losses to the parties therefore every effort must be executed to avoid such conflict. Grievance is any controversy between the company and an employee about the interpretation and/or application of the agreement of any matter directly affecting the employee as to hours of work, salaries or working conditions.

III. WORKPLACE DISPUTE SETTLEMENT

J. Usage and Operations of Dispute Settlement Mechanism

bb. *Efficiency* (Cost of Case Handling, Speed of Resolution)

By handling grievances reaching to a full blown case, the number of production is affected in terms of the wasted raw materials. Grievance must be submitted to the first step level within *five calendar days* after the cause for the complaint or grievance occurred. This 5-day period includes time spent in trying to work out an amicable settlement with the immediate supervisor. Grievances involving disciplinary action or matters affecting specific individuals, if not presented within 5 days are waived.

cc. *Voice* (Representation, Hearings, Justice and Fairness, Appeal)

Through the efforts of the incumbent HR Manager, representation in terms of grievance or dispute handlings is made fair and equal. With an open communication from both parties, any aggrieved employee can call for a committee meeting, lay down the problem and jointly solve the issues at hand. Dispute settlement is assured as the grievance machinery is provided for under the existing collective bargaining agreement. These are simple human relations problems or conflicts that inevitably arise and as was mentioned HR is always present to hear the concerns of the employees. Even the president is invited to attend meetings to hear the cases of the employees. Hearings are scheduled accordingly and motions for appeal are readily provided for under the existing collective bargaining agreement.

dd. **Effectiveness** (Performance and Productivity)

There was an increase in the productivity compared to previous experience of the HR manager with the change in the ideology of both management and union through his initiative. During the previous times, production quote were not met and therefore performance is affected. What is needed is cooperation to achieve what is needed for the benefit of both the company and the employees. At present, there is a notable improvement in the performance of the company with the initiation of the HR Manager's view on labor management relations.

K. Workplace Dispute Mechanism Impact to Organizational Performance

When disputes are not settled, there is stress and health is affected in the performance of work. Quotas are not met and productivity is very much affected. Grievance is always present but as much as possible it is resolved immediately. With the existence of the grievance machinery and its proper implementation, there is no awkward relation with the employees and the feeling of being paranoid with any unprecedented events are eliminated. There is fulfilment and happiness on both parties when proper procedures are observed in the handling of disputes. There is trust between the parties and therefore everyone is happy. There are no more worries and there is closeness with each other treating everyone as family.

L. Factors Affecting Resolution of Disputes

Both the management and the union officers share the view that the facilitating factors affecting the speedy resolution of disputes are rooted from the Filipino value on the concept of family and extended family- the "kapamilya" approach. What is important is that there is honesty, sincerity and respect from both parties to maintain smooth relations. Other factors are open communication through general assemblies and regular monthly meetings, transparency from both ends such as sharing of financial reports of the company and the current conditions of the workers as well, and peaceful coexistence through recognitions and incentives for contributions. Negative factors are identified as those that oppositely reflect the views mentioned on the positive factors. These are mistrust and doubts between and among each other, being disrespectful of the officers and of the management and also being dishonest in terms of trying to open up the concerns of both the management and the employees.

a. Recommendations

Recommendations that were mentioned focused on the impacts of the implementation of the grievance machinery to the community at large. The company observes corporate social responsibility measures through donations to

school and barangay projects, financial assistance in activities and through solicitations. The company is recognized with its good practices in labor management relations by the community. This is so because some of the employees live within the vicinity of the company site.

Likewise, areas for recommendation tackled on the training measures of the company and external sources. Trainings are provided for by the company for skills upgrading and is regularly maintained. Trainings coming from the DOLE are also welcomed such as labor standards and labor relations measures. DOLE conducted training in LHP training last 2010 (by the Regional Office of DOLE).

Lastly, it was recommended that HR practitioners especially HR Managers should be effective in addressing HR concerns. There should be more programs or seminars or trainings for employers on the value of the employees as part of decision-makers within the company. They should be given education on labor relations and personnel development as many practitioners are not primarily aware of those matters. Management should invest on their people. They should treat their employees not as subordinates but as partners in achieving the company's goals and objectives.

CASE NO.14 – JAKA Equities Corporation

The Case of Match Factory Industry Region XIII (Non-Unionized Establishment)

I. COMPANY PROFILE

Established in 1977, the company was originally purchased with the name A.K. Wood Industries, Inc. and has been known by its clients as a safety matches manufacturing firm. In 1978, it changed its name to Eurasia Match Inc. (EMI). And by 1994, it was then known as JAKA Equities Corporation. It has been a PS Mark holder since 1980 with certified product quality. JAKA's principal office is located in Chino Roces Avenue, Makati City and its manufacturing site is a 2-hectare manufacturing plant in Magallanes, Agusan del Norte. JAKA Equities Corporation is registered in the Philippine Standard Quality Mark License which is aligned to ISO 9001:2000 since 1999 and is now upgrading its QMS to ISO 9001:2008. JAKA Equities Corporation belongs to the JAKA Group of Companies which is a Philippine-based, wholly Filipino-owned conglomerate with an expansionary outlook and a global perspective. The company's core businesses includes property management and development; food manufacturing; product distribution, marketing and logistics; forest plantation management; safety match manufacturing; financial services and security services. The company provides gainful employment to over 1,860 employees, and has manufacturing facilities and distribution centers nation-wide, including North America and Europe.

II. HISTORY OF DISPUTE EXPERIENCE

The company as based on the discussions that transpired during the session was previously unionized. The union was established during the time when the company was then known as EMI. The union then had an adversarial relationship with the management. It was in 2005 that a reinstatement case was filed with NLRC and was rendered invalid. The company closed and right after reopened with the change in the company name and the union was no longer re-established. The employees were afraid of the experience they had that they opted not to create a union again. After 2008 however, there were no more cases filed with NLRC that were not resolved. It was in 2008 that the grievance mechanism procedures were established. Workers from then on had confidence with the decisions of the Labor Management Council. The trust built between the parties added to the profitability of the company.

The objective of the grievance committee is to provide an opportunity for the employees to defend himself in proper forum to his/her problems at work where the normal and customary channel of discussion with their direct supervisor has been unable to resolve the issue. The issues to be resolved are:

(1) conflicts between peers; (2) conflicts between subordinate and superior; and (3) violation of house rules or Code of Conduct. The JEC Code of Conducts includes the following areas: Rule I. Dishonesty and Fraud; Rule II. Misconduct and Misdemeanour; Rule III. Making Damage to Property; Rule IV. Absence and Insubordination; Rule V. Negligence and Omission. The stages of disciplinary action include: a. verbally reprimand the employee; b. provide a verbal/oral warning; c. written warning; d. suspension (depends on the gravity of the offense). The company has reported successful grievance stories which highlighted the effective implementation of the grievance committee procedures.

III. WORKPLACE DISPUTE SETTLEMENT

M. Usage and Operations of Dispute Settlement Mechanism

ee. **Efficiency** (Cost of Case Handling, Speed of Resolution)

The company handles grievances through the Grievance Committee. Grievances as much as possible are immediately resolved by the shop stewards and supervisors. Per policy, a report must be submitted within 72 hours of the erring employee. The cost of case handling reflects the profitability of the company with the implementation of the grievance machinery.

ff. **Voice** (Representation, Hearings, Justice and Fairness, Appeal)

The grievance handling procedures follow strict documentation compliance. It is done through recording of events or facts by entering them into log books. Conflicts are resolved primarily through conversations. Management provided a second chance to an employee who rendered AWOL. So far, there has been no record of termination. The grievance committee is a well-represented group of members comprised of management and labor representatives that provide equal and fair representation from both parties.

gg. **Effectiveness** (Performance and Productivity)

In terms of the effectiveness of the implementation of the grievance machinery, the company improved its performance compared to when the grievance machinery was yet established. The profit is maintained compared to previous company performance considering the country's varying inflation rates. Everything that is produced by the manufacturing site is completely sold out to the clients and the principal office. The overall productions show positive feedback as when compared to previous performance as mentioned by the management.

N. Workplace Dispute Mechanism Impact to Organizational Performance

With the establishment of the grievance committee, it was mentioned that relationships among workers improved. Employees are given importance and everyone became cooperative and participative. Individual performance is based on the mutual commitments between management and labor to support the development not only of the company but also of the employees. Worker's take the initiative of confessing personal company violations and peers become more cautious therefore proper disciplinary actions are provided. When there are domestic absences, the effect is minimized because of the effective measures placed such as provisions of relievers. With the grievance machinery in place, targets are hit, and oftentimes it is even above or exceeded what is expected for the year's performance.

O. Factors Affecting Resolution of Disputes

Involvement of the people with the core values very well imbibed through trainings and core values formation provides for a better resolution of disputes. Everyone is trained to train other people. Among the mentioned facilitating factors are: (1) compliance to company policies, (2) open communication/ personal approach to communicating with employees, (3) close relationship between supervisors and subordinates, (4) involvement of all employees on training of core values of the company (Core Values Training), (5) Productivity Improvement Circles (PICs) program, (6) kapwa-concept, sense of ownership, pagmamalasakit, at madalingamininangkasalanan, (7) Conduct of orientation and provision of copies of company policies, (8) mentoring, coaching, counselling program with satisfied results, (9) safety program of employees, (10) posting of revised policies, announcement of updates and consultations with employees as cascaded by LMCs. On the other hand, the hindering factors that the group mentioned include: (1) delay in the submission of reports or late reports submitted, and (2) unavailability of the erring employees to action.

a. Recommendations

The focus group has identified several areas for recommendation. These areas are: (1) DOLE Programs and Support provided, (2) Institutionalization of Grievance Machinery.

The DOLE agencies are very much supportive to the company's programs and implementation. There is clear communication between the DOLE offices and the companies involved. Some of the trainings provided include grievance, LMC, productivity, labor standards updates, seminar on contracting and subcontracting. They recommend that there should be a faster reaction from the

Regional Tripartite Wages and Productivity Board on minimum wage determination by rendering surveys to companies and workers for collaborative outputs. DOLE should approach management to have a talk or consultation as often as possible. Companies should be asked if GM is present by conducting company visits to promote best practices. There should be tutorial classes as sort of clinic-ing sessions which are effective on-the-table sessions. Companies should receive coaching and training from NCMB to share best practices in grievance handling.

On institutionalizing Grievance Machinery, the group mentioned that there really is a need to have the mechanism institutionalized. However the formation depends on each company as each has their own culture or practice of handling their grievances. It is important as it reflects efficiency of the company and promotes sharing of best practices.

CASE NO.15 – Provident Tree Farms, Inc.

The Case of Agro- Agri Industry in Region XIII (Unionized Establishment)

I. COMPANY PROFILE

The company was incorporated in 1956 as “Provident Realty Company, Inc.”, originally engaged in real estate activities. In 1968, the company name was changed to Provident Tree Farms, Inc. Since then, PTFI has been into tree plantations. In March 1967, PTFI started the 928-hectare plantation in Mindoro thru an Industrial Tree Plantation Agreement No. 88 (converted into IFMA R4-002 in 1992). It is a model plantation where the Hilleshog Technology of tree farming was introduced. In December 1967, the Ministry of Natural Resources issued a 25-year Matchwood Timber License Agreement to PTFI for 11,500 hectares in Talacogon, Agusandel Sur, Mindanao. In 1982, this was changed into an Industrial Tree Plantation Agreement No. 79 and to an Industrial Forest Management Agreement (IFMA No. 011) in 1992. In October of 1991 the Department of Environment and Natural Resources awarded its first IFMA (No.001) to PTFI. This has a total land area of 20,770 hectares in Talacogon and San Luis, Agusandel Sur, Mindanao. Its major activities are in commercial tree plantations and manufacture of match splints. At present, PTFI’s workforce is about 205 workers, composed of 90 union members and 115 non-union members. It is a subsidiary of PHIMCO, a match manufacturing company established in the Philippines in 1927. Provident Tree Farms, Inc. supplies all the matchwood logs requirements before which later on transformed into match splints as production requirements. The company replants and harvests annually about 300 hectares of 45,000 M3 of fast growing species like Gmelinaarborea, Acacia mangium, and Paraseriantesfalcataria.

II. HISTORY OF DISPUTE EXPERIENCE

The workers are represented by the company’s legitimate labor organization named “PTFI Employees Union-SPFL,” which is federated with the Southern Philippines Federation of Labor, duly registered with the Department of Labor and Employment. The company was unionized in October 5, 2005. Both the management and the union entered into a collective bargaining agreement registered in the Regional Office on September 13, 2011. The said agreement contains all requirements provided for under the Labor Code, as amended and has duration of 5 years, effective from February 1, 2011 to January 31, 2016. With the cooperation from both parties, a grievance machinery council was established. The grievance machinery was prepared in accordance with Section 2, Rule 19 of Department Order No. 40-03. The council was created thru an election of the union and non-union members after the seminar on Effective

Grievance Handling and Conflict management – Plant Level conducted by the NCMB R-XIII.

There has been no record of any voluntary arbitration cases or compulsory arbitration cases that had been filed to the NLRC for the last three years of the union's existence. Neither were there any records of Notices of Strikes and Lockouts. However there were 4 preventive mediation cases that were filed with the NCMB. To date, the company enjoys a harmonious relation between the management and the union as the collective agreement continuous to be in force.

The grievance machinery and arbitration is provided for in the collective bargaining agreement under Article XIV. The process includes the following steps: (1) Employee grievance will be brought to respective Department Head for settlement on the grievable issues within five days from the date of submission. (2) If grievance is not settled in step 1, the same shall be brought before the Resident Manager of the Company and the local Union President who shall have a similar period of five days from notice within which to settle the grievance. (3) In the event that no settlement is made under step 2, either party may call a Grievance Machinery Council meeting in writing for purposes of settling said pending grievance. (4) If the grievance is not settled after step 3, the same shall be submitted to a Voluntary Arbitrator, who shall be chosen by the Company Resident Manager and the local Union President. In case of disagreement or failure to choose the Voluntary Arbitrator within seven days, either party may request the Regional Director of the DOLE to designate a Voluntary Arbitrator from among those duly accredited by DOLE.

III. WORKPLACE DISPUTE SETTLEMENT

A. Usage and Operations of Dispute Settlement Mechanism

a. **Efficiency** (Cost of Case Handling, Speed of Resolution)

Grievable issues are given 5 days from the date of submission to be settled by the respective department heads. There were no costs mentioned by both parties in terms of handling grievance cases.

b. **Voice** (Representation, Hearings, Justice and Fairness, Appeal)

There is equal representation from management, union members and non-union members in terms of handling grievances through the Grievance Machinery Council as earlier mentioned. Investigations and due process are carefully observed given a maximum of seven days to schedule hearings. Decisions are made through bargaining and mitigating with a resolution that the erring employee will not repeat the same, taking into consideration the principle

of humanitarian reason as premise in the final decision. Written documentation that the decision is final is thereby signed by all the stakeholders.

c. ***Effectiveness*** (Performance and Productivity)

With the establishment of a grievance machinery council, the company has benefitted significantly in terms of the effectiveness of the decisions rendered as performance and production increased to an estimated 60% compared to when it was yet established.

B. Workplace Dispute Mechanism Impact to Organizational Performance

As mentioned by the participants, both management and labor representatives take the view that by resolving issues through the mechanism, top management and likewise union officers are less burdened with the handling of such cases. Problems are easily resolved and that they expressed smooth working relations when problems are readily addressed. Through the Grievance Machinery Council, the union members are made united, internal problems are resolved, there are no awkward circumstances between parties and that there is always a win-win solution. Improvement in how the company should be run is made open for suggestion through the mechanism with an open communication from both parties.

C. Factors Affecting Resolution of Disputes

Both parties agree that availability of the concerned personnel, dissemination of information, monthly meetings, open communication, involvement in trainings and the provisions of the CBA are the facilitating factors that affect the resolution of disputes. Problems are already foreseen and discussed during LMC meetings which prevent grievances to becoming serious concerns for both parties. Differing interpretation in company provisions was considered a hindering factor in the resolution of disputes. The approach is now considered consultative and the relationship now a partnership.

D. Recommendations

It has been recommended that members of the grievance committee should be well trained in handling grievances. There should be continued support in the established machinery implemented by the company. Involvement in the community through corporate social responsibility activities should be promoted such as adoption of school programs, scholarships, trainings and establishment of cooperatives and livelihood programs. There should also be assistance in resolving tribal wars to lessen unfavourable conditions within the community. Incentivizing GM through tax incentives is recommended where savings are used

to fund the scholarships and community improvement. Moreover, there should be regular seminars in CARAGA to disseminate information and best practices in grievance handling.