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## Updates

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## COLLECTIVE BARGAINING AGREEMENTS 1993 - 1995

### *Highlights of Non-Economic Provisions*



*In 1996, the BUREAU OF LABOR AND EMPLOYMENT STATISTICS conducted a study on the profile of collective bargaining agreements (CBAs) specifically on their economic and non-economic provisions.*

*The sources of information were the newly filed CBA documents from 1993- 1995. From the records of the Bureau of Labor Relations and DOLE-NCR, the number of CBAs indexed and processed totaled to 774 in 1993, 765 in 1994 and 815 in 1995.*

*This manuscript is the last of a three-part series. It focuses on the comparative analysis of the non-economic provisions of the CBAs filed in the said years. These include union security clauses, grievance handling procedures, union rights and privileges and other miscellaneous provisions. Parts I and II which touched on the general features and profile of economic provisions of the CBAs, respectively, were published in LABSTAT Updates (Vol. 1 Nos. 8 and 9) in July 1997.*

## Union Security Clauses

Common types of union security clauses are as follows:

**Maintenance of membership** is an agreement whereby employees who are members of the union must maintain their membership during the term of the contract as a condition of continued employment.

**Closed shop** is an agreement whereby an employer shall hire only members of the union who must continue to remain members in good standing to keep their jobs.

**Union shop** is an agreement whereby an employer may hire a non-union member, but to retain employment such employee must become a union member after some period of time and maintain the membership in good standing.

**Open shop** is an arrangement on recruitment whereby an employer may hire any employee, union member or not, but the new employee must join the union within a specified time and remain a member in good standing.

**Agency shop** is an arrangement whereby non-members of the contracting union must pay the union a sum equal to union dues known as "agency fees" for the benefits they received as a consequence of the bargaining negotiations effected through the efforts of the union.

**Check off** is an arrangement by a union with the employer for dues to be deducted regularly from the members' salaries wherein the sum collected is remitted to the union by check

- *Maintenance of membership* was the most favored type among union security clauses . It accounted for 75.7 percent of the total registered CBAs in 1993. In 1994 and 1995, a higher percentage share opted for the inclusion of this clause in their CBAs at 79.9 percent and 79.4 percent, respectively.
- *Union shop* was the second most favored clause. It was mentioned in 67.6 percent of the CBAs in 1993, in 69.8 percent in 1994 and in 76.8 percent in 1995.
- Other types such as *closed shop*, *open shop modified closed* and *modified union shop* were also cited but only in less than 8.0 percent of the CBAs in all years.
- Regarding agreements on the collection of certain dues or fees, the most popular arrangement is *check off*. It was cited in 84.5 percent of the concluded CBAs in 1993; in 90.1 percent in 1994; and in 93.1 percent in 1995.
- Very few (2 out of 10) included the provision for the collection of *agency fees* from non-union members.

## Grievance Handling

*Grievance here refers to a dispute or controversy between the employers and the collective bargaining agents arising from the interpretation or implementation of their CBAs and/or those arising from the interpretation of company policies. In this regard, a grievance procedure is a “must” in every collective agreements. It usually consists of steps to be undertaken to resolve a grievance within the specified period of time. Grievance procedure depends on the structure of the company and on the needs and desires of both parties. Small companies have short, simple grievance procedure, oftentimes with only one or two steps. Whereas large companies usually adopt multi-step procedure.*

### Grievance Procedure

- Most of the collective agreements filed in 1993 (52.3 %) and 1994 (48.2%) favored *multi-step procedure* (more than 6 steps). In 1995 CBAs, most or 28.5 percent adopted the *three-step procedure* while 24.2 percent opted for the multi-step.
- The manner or mode of settling unresolved grievances or disputes were also discussed during negotiations. After all the internal steps or procedures were exhausted, *voluntary arbitration* was the most preferred mode of settling unresolved grievances. It accounted for 83.6 percent of the CBAs in 1993. Whereas about nine out of ten CBAs favored the inclusion of this mode in 1994 (89.0%) and in 1995 (94.8%).
- Merely 10.6 percent opted to submit for *compulsory arbitration* all unresolved grievances in 1993. A much lower percentage (5.5%) chose this mode in 1994. This mode was not mentioned in 1995 CBAs.
- Less than 1.0 percent of the CBAs in all years adopted two modes to settle unresolved grievances, either through *voluntary arbitration or compulsory arbitration*.

### Issues Settled Through Voluntary Arbitration

- The bulk of the CBAs in 1993 (99.1%), 1994 (97.4%) and 1995 (96.2%) which opted to submit for voluntary arbitration all unresolved grievances specified that only issues arising from the *interpretation or implementation of the CBA* provisions should fall under the jurisdiction of voluntary arbitration.
- Other issues mentioned were as follows: *interpretation or enforcement of company personnel policies, dismissal/termination, wage distortion, and interpretation or implementation of the productivity incentive agreement.*

## Nature of Voluntary Arbitration Decision

- Almost all CBAs (99.2% in 1993; 99.6% in 1994; and 99.4% in 1995) with provisions for settling unresolved disputes through voluntary arbitration specified that the *decision of the voluntary arbitrator or panel of arbitrators is final, unappealable and executory.*
- The rest cited exception clauses in their contracts.

## Manner of Sharing Cost of Voluntary Arbitration

- More than 80.0 percent of CBAs with provisions for settling unresolved disputes through voluntary arbitration in 1993 and 1994 stated that the cost to be incurred during the proceedings including voluntary arbitrator's fee should be *equally shared by both labor and management.* This agreement was cited in 69.8 percent of the CBAs in 1995.
- Very few CBAs, i.e. 2.2 percent in 1993, 1.6 percent in 1994 and 2.7 percent in 1995 specified that *management should shoulder a bigger share.*
- Less than 1.0 percent cited that *losers should defray the cost.* An equal proportion made provision that *expenses should be borne solely by management.*

## Union Rights/Privileges

*Miscellaneous provisions are also discussed during bargaining negotiations to effect better understanding of the needs and capacities of both parties. These provisions include special rights and privileges accorded to workers at the workplace.*

- *Union leave* benefit was specified in around one-third of the total registered CBAs in 1993 and 1994. However, a little over half (52.3%) of the CBAs in 1995 granted the same privilege to their covered workers. This benefit is normally provided to officers and members for training or educational purposes.
- Some 28.0 percent of the CBAs in 1995 mentioned the *provision of bulletin boards* by management where unions can post their formal official notices and other announcements. This was cited in 17.7 percent and 19.2 percent of the CBAs in 1993 and 1994, respectively.
- *Provision of office space* where unions officers can discharge their duties and functions were embodied in less than 20.0 percent of the CBAs in the said years. The office space can also serve as the venue for consultation and grievance handling.

## Other Non-Economic Provisions

*Other non-economic clauses include the institutionalization of labor-management councils (LMCs), provision of safety mechanisms to workers and creation of grievance committees.*

*LMC is viewed as a mechanism that will promote good employer-employee relations, communications and collaboration aimed at enhancing productivity, efficiency and welfare.*

*Generally, to the mutual desire of the company and union to promote safety and health of the workers, **safety mechanisms** are established. These mechanisms include the provision of health and safety services and medicines, and improvement of facilities to provide the workers with a safe working environment.*

***Grievance committee** generally serves as a forum where issues arising from the interpretation and implementation of agreement are resolved.*

- Some 68.0 percent and 73.5 percent incorporated provision for the *institutionalization of LMCs* in their respective CBAs in 1993 and 1994. A much higher percentage embodied the same in 1995 (85.3%).
  - More than 60.0 percent of the CBAs in 1993 and 1994 included the *provision for safety mechanisms*.
- In 1995, this provision was specified in 79.8 percent of the CBAs.
- Less than 10.0 percent of the CBAs filed in 1993 (5.7%), 1994 (4.4%) and 1995 (6.9%) included the *creation of grievance committees*.

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