

# **NATIONAL CONCILIATION AND MEDIATION BOARD**

## **2009 Annual Report**

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The National Conciliation and Mediation Board continuously sustained the efforts toward maintaining a stable and peaceful industrial relations climate in the country. It managed to maintain the number of work stoppages within manageable level through the provision of timely, efficient and effective conciliation and mediation services. In 2009, the Board managed to reduce the incidence of work stoppages from five in the previous year to only four, the lowest strike incidence in Philippine labor relations history. The new strike cases comprise 1.22 of the 327 total notices of strike/lockouts handled during the period.

### **A. CONCILIATION-MEDIATION**

#### **ACTUAL STRIKES/LOCKOUTS**

The National Conciliation and Mediation Board effectively maintained a peaceful industrial relations climate towards job preservation by managing to pursue a steady decline in the number of work stoppages. The Board managed to keep the incidence of work stoppages to only four (4) during the period January 1 to December 31, 2009,

The four strikes occurred in RB VII with two (2), and one (1) each in RB IV-A and RB XIII. The other regions were strike and lockout-free during the period, mainly due to functional workplace conflict prevention and settlement schemes (grievance machineries) and workplace cooperation and partnership schemes (LMCs).

Of the four strike cases declared, one (1) case involved deadlock in collective bargaining while the remaining three cases raised the issue of unfair labor practice (ULP).

The four (4) actual work stoppages are 20% lower than the five cases declared during the same period last year. Workers affected in these strikes increased to 1,510 from 1,115 workers a year ago.

Mandays lost decreased by 83% from 38,711 last year to 6,560 this year.

The Board disposed all of the four actual strikes handled during the period to achieve 100% disposition rate. Three of these cases were settled through conciliation, giving the Board a settlement rate of 75% while one (1) case was assumed jurisdiction by the Secretary.

Overall dispute management rate (or the ratio of the total number of notices of strike/lockout and preventive mediation cases that did not materialize into actual work stoppage to the total notices of strike/lockout and preventive mediation cases handled) was computed at 99.5%.

The Board disposed of actual strikes in an average of 20 days, 23 days faster than it took to dispose an actual strike cases last year.

Separation benefits amounting to P1 M were provided for 30 workers.

### **NOTICES OF STRIKE/LOCKOUT**

The Board docketed 286 new notices of strike/lockout during the year, 21% lower than the 362 new cases received in 2008. The new cases involved 60,457 workers compared to 74,797 last year, a decrease of 19%.

Of the 286 new cases filed, 204 raised the issue of unfair labor practice, 68 involved deadlock in bargaining negotiations and 14 had a combination of both issues.

The Board recorded a 85% disposition rate during the period, 5% lower than the 90% achieved in 2008. Settlement rate was registered at 74% from 77% last year.

The Board settled notices of strike/lockout cases in an average of 44 days, the same number of days to settle notices of strike in 2008.

Monetary benefits resulting from case settlement include some P1.3 B in CBA package benefiting 16,561 workers and P158 M in separation pay and other monetary benefits for 1,772 workers.

### **PREVENTIVE MEDIATION**

The Board received 482 new preventive mediation cases during the period January 1 to December 31, 2008, 11% lower than the 540 cases filed a year ago. Workers involved in the new PM cases increased by 11%, to 133,349 from 120,314 last year.

Of the 482 total cases filed, 413 involved unfair labor practice. Deadlock in collective bargaining, mostly on economic issues, was raised in 60 cases. Nine (9) raised both ULP and BD.

The Board disposed of 472 of the 532 preventive mediation cases handled during the period for a disposition rate of 89%, 3% lower than the 91% registered in 2008. Settlement rate also dipped to 81% from 86%.

It took the Board 34 days to settle a preventive mediation case this year, the same number of days that it took to resolve PM cases last year.

Monetary benefits resulting from case settlement include some P155 M in CBA package benefiting 3,831 workers and P57 M in separation pay and other monetary benefits for 972 workers.

### **SINGLE ENTRY APPROACH (SENA)**

The Single Entry Approached (SENA) formerly Free Legal Aid and Voluntary Arbitration Services (FLAVAS), on the other hand, continue to be an option for dispute settlement for individual or group of workers. Single Entry Approach is another option provided by the Board for workers in the filing of cases with conciliation as the entry point. If settlement is not reached, the parties can elevate the issue to Voluntary Arbitration.

For 2009, the Board received a total of 995 requests for assistance involving 3,386 workers. Total SENA cases handled during the year totaled 1,050. The successful resolution of 422 SENA cases benefited 1,584 workers with P25 M in restitution packages.

### **ON CASES ASSUMED JURISDICTION BY THE SECRETARY**

The Board continues to conduct marathon conciliation-mediation conferences and explore all options for possible settlement, prior to any decision to assume jurisdiction over the cases.

This is what happened to Foremost Farms, Inc., Coca-Cola Bottlers Philippines, Inc – Cagayan De Oro Plant, and BPI Family Savings Bank, all organized companies whose CBAs are up for renewal this year but experienced impasse in their plant-level negotiations and sought the intervention of the Secretary of Labor and Employment.

While these cases were still pending before the Office of the Secretary, NCMB continued mediating and conciliating the disputes in an effort to find a mutually acceptable solution resulting to the settlement of the cases and the subsequent signing of their respective collective bargaining agreements. The agreement benefited some 1,261 employees with over P74.4M in CBA packages.

The agreement signed by the parties to these disputes were adopted as the basis in the disposition of the AJ orders covering the aforementioned cases and assured the parties of continued industrial peace and stability in these companies.

Ten other cases that were already subjects of petitions for assumption of jurisdiction by the Secretary were likewise settled through marathon

conciliation-mediation by the NCMB even prior to the issuance of assumption of jurisdiction orders. These cases involved the following companies: Bank of the Philippine Islands, Purefoods Hormel Company, Columbia Wire and Cable Corporation, San Miguel Yamamura Packaging Corporation, Victor Potenciano Medical Center, Republic Cement Corporation, Sagara Metroplastic Industrial Corporation, Toyo Inc. Compounds Corporation, Armed Forces Police Saving and Loan Association and Clark Development Corp. Eight (8) of the cases involving these companies were anchored on bargaining deadlock, except for San Miguel Yamamura which was filed on account of ULP and Clark Development Corporation which raised both the issues of ULP and BD.

The amicable settlement of these cases benefited some 5,767 employees with P788.3M in CBA packages and rendered the petition filed to the Office of the Secretary moot and academic.

The case at San Miguel Yamamura was submitted to voluntary arbitration by the Secretary of Labor and Employment.

## **B. WORKPLACE COOPERATION AND PARTNERSHIP**

During the year, NCMB facilitated the setting up of 189 LMCs (organized = 86; unorganized = 103) and strengthened/enhanced 851 others (organized = 619; unorganized = 232). The 189 new LMCs facilitated/reactivated brought the total existing LMCs to 1,546 nationwide in terms of best management practices, improved productivity, open communication lines, improved corporate social responsibility and fewer incidence of labor disputes.

Facilitation and strengthening of LMC programs are done through area-wide seminars with two (2) representatives from each company. Plant level orientation seminars are also conducted for joint labor and management representatives in companies with CBAs.

## **C. GRIEVANCE SETTLEMENT MACHINERY and VOLUNTARY ARBITRATION**

### **Grievance Settlement Machinery**

The NCMB conducts area-wide seminars and skills training on grievance handling, conflict management and joint problem solving process to help labor and management settle workers grievances at the shop floor.

In 2009, 204 GMs were operationalized while 487 GMs were strengthened among the organized establishments. The Board also institutionalized 171 GMs among the unorganized companies. There are 1,875 active and functioning Grievance Machineries nationwide as of 31 December 2009.

## **Voluntary Arbitration**

Voluntary arbitration is the terminal step in the parties' grievance machineries. It was observed that fewer grievances managed to reach voluntary arbitration, hence, a decline in the voluntary arbitration cases.

Voluntary cases submitted since 1988 reached 4,238 or an average of 192 cases annually. For 2009, VA cases totaled to 133. Some 564 workers benefited from the award of P83 M in monetary benefits in decided cases.

Decisions of Accredited Voluntary Arbitrators continue to enjoy wide acceptance. Affirmation rate for the year is computed at 100% while reversal rate is placed at 0%.

The average duration to decide voluntary arbitration cases is 62 days from the date of submission for decision.

## **D. OTHER ACTIVITIES**

The Board maintained linkages with its private sector partner in LMC advocacy – the Philippine League of Labor-Management Cooperation Practitioners, Inc. which covers most of the said existing WCPs/LMCs through regional associations. During the year, the Board provided technical and secretariat support to the PHILAMCOP on the occasion of their 7<sup>th</sup> National Convention on Labor-Management Cooperation held in Waterfront Hotel, Lahug, Cebu City on November 25 – 26, 2009 which was attended by some 800 labor-management practitioners and enthusiasts.

The 7<sup>th</sup> Search for Outstanding LMCs was also launched by the Board this year resulting in the selection of four awardees:

### **- *Unorganized Establishment***

Lloyd Laboratories, Inc. of Malolos City, Bulacan (Region 3) is the first establishment to be conferred the Best LMC award in the unorganized category.

### **- *Organized Establishment***

Energy Development Corporation of Sorsogon, Albay (Region 5)  
Far Eastern University – Dr. Nicanor Reyes Medical Foundation of West Fairview, Quezon City (NCR)  
Holcim Philippines Inc. of Bacnotan, La Union Plant (Region 1)  
Special awards were also given during the event:

**Special Award in Program Excellence** - For commendable achievements in the areas of LMC Organizational set-up and effective partnership through responsive programs/projects which boosted organizational growth, employees' productivity and community development

LMC - Industrial Peace Council  
Company - Mabuhay Vinyl Corporation

**Special Award in Innovative Organizational Structure** - For the sincere commitment of labor and management to joint decision-making and its outstanding support structures for the LMC intended to deploy core values for successful partnership.

LMC - Dap-Ayan Ti John Hay  
Company - The Manor Camp John Hay (unorganized)

LMC - Del Monte Plantation  
Company - Del Monte Phils. Inc. (Bukidnon)

**Special Award in Environment and Indigenous People Community Development** – For establishing a cooperation system which enhances employee's and communities' capabilities that boost mutual growth and supplement company needs and natural environment management.

LMC - TMC-Labor Management Committee  
Company - Taganito Mining Corp.

**Special Award in Unique Strategic Partnership** – For adapting an outstanding participative decision-making, trust building and information sharing between labor and management towards a work environment conducive to performance excellence, full participation and personal growth

LMC - SMBG-BBEU/PAGHILI-USA  
Company - San Miguel Brewery, Inc. (Bacolod)

LMC - Ka-Isang Tinig, Isip at Gawa Ngayon at Bukas (KATIG)  
Company - Universal Robina Corp.

**Special Award in Environment and Indigenous Community Development** – For establishing a cooperation system which enhances employees' and communities' capabilities that boost mutual growth and supplement company needs and natural environment management.

LMC - RTNM - LMC  
Company - Rio Tuba Nickel Mining Corp.

Executive Director Reynaldo R. Ubaldo with Dean Jorge V. Sibal, Atty. Allan S. Montano and PHILAMPCOP President Rene V. delos Reyes conferred the awards to the winners of the 2009 Search of Outstanding LMCs. Thirty-four LMCs participated in the Search.

#### **E. THRUSTS FOR 2010**

- Intensify proactive intervention on labor disputes prevention and settlement
- Expand accessibility of conciliation-mediation processes to cover all types of labor disputes
- Increase awareness and application of ADR mechanisms to resolve workplace conflicts
- Strengthen social cooperation schemes for industrial stability
- Pursue effective advocacy and networking with social partners
- Continuous staff capability-building

**REYNALDO R. UBALDO**  
Executive Director IV

31 December 2009