

NATIONAL WAGES AND PRODUCTIVITY COMMISSION

MAJOR ACCOMPLISHMENTS JANUARY - DECEMBER 2011

A. On Policies/Guidelines/ Standards Formulation

1. *Minimum Wage Review and Determination*

1.1 Issuance of Wage Orders and IRRs

- Eleven (11) wage orders were issued from January-December 2011 in Regions NCR, II,III, VI, VII, VIII, IX, X, XI, XIII and ARMM. The wage increases in the form of COLA and basic wage ranges from P10.00 in ARMM to P22.00 in NCR, bringing the highest daily minimum wage to P426 in non-agricultural sector in NCR. The lowest minimum wage is at P232 in ARMM.
- Of this number, six (6) wage orders were issued based on wage petitions filed with the Regional Boards and five (5) were issued *motu proprio*. Prior to the issuance of the wage adjustments, the Boards conducted 41 consultations, public hearings and board deliberations to assess the wage situation in their areas of jurisdiction.
- The Secretary of Labor and Employment approved the IRRs of all Wage Orders, being in accordance with existing policies and rules on minimum wage fixing under RA 6727, based on recommendation of the NWPC. All Wage Orders underwent prior affirmation by the NWPC.

1.2 Wage Exemption Cases

- **Applications on Exemption**
 - ✓ 100% disposition rate under 2010 round of Wage Order issuance (261 applications disposed out of 261)
 - ✓ 91.26% disposition rate under the 2011 round of Wage Order issuance (167 out of 183 applications disposed)
- **Appeals on Wage Order/Exemption Cases**
 - ✓ 100% disposition rate

1.3 Proposed Wage Reform : Two-Tier Wage System (TTWS)

- The two-tiered wage system is a proposed wage policy reform which aims to reduce, if not eliminate, the unintended outcomes of minimum wage fixing and to support enterprise productivity and competitiveness. The unintended outcomes include risks to inflation and unemployment, increasing

informality, weakening of the incentive for collective bargaining, distortions in pay systems, wide spread growth of atypical work arrangements, involuntary non-compliance and tendency to discourage pay-for-performance schemes.

The proposed wage reform, which shall be implemented within the current regional wage system under RA 6727, shall consist of two components: (1) a mandatory single regional floor wage, as the first tier and (2) voluntary performance or productivity based pay adjustments for wages above the floor wage, as the second tier.

- The NWPC has accomplished the following major activities:
 - ✓ As of date, the NWPC issued Resolution No. 2 on the adoption and implementation of two-tiered wage system including the use of poverty threshold estimates as additional reference data for first tier (mandatory floor wage);
 - ✓ Conducted regional consultations and technical workshop attended by ILO, labor and employer representatives and statistical communities;
 - ✓ Conducted three (3) sectoral forum on the measurement of poverty threshold;
 - ✓ Presented the operational methodology for determining the 1st and 2nd tier to the Secretary and to the National Tripartite Industrial Peace Council;
 - ✓ Held study visit in October 2011 to Fair Work Australia to study applicability of wage system to Philippine setting.

1.4 Facility Evaluation (FE) and Work Improvement Measurement Study (WIMS)

- Conducted two (2) training sessions on work improvement measurement systems as part of the NWPC and RTWPBs capacity building on productivity improvement, given their role to provide technical support/assistance to enterprises in the adoption of productivity based wages. Conducted similar training program for the social partners attended by labor, management and government representatives;
- FE : 66.15% of requests acted upon, FE order issued (129 applications out of 195)
- WIMS: 44.58% of requests acted upon, Piece Rate Order issued (37 applications out of 83)

1.5 Policy Research Studies

- To support its policy formulation and technical services functions on wages, incomes and productivity, the following research and technical studies were undertaken:

- ❖ ***Rapid Assessment on Compensation and Working Conditions in the Bus Transport Industry (Metro Manila)***

Spearheaded by the National Wages and Productivity Commission, the study seeks to address the increasing road accidents and traffic violations by improving the compensation and working condition of the drivers and conductors.

It is proposed that the bus industry adopt a two-tiered wage system composed of a fixed wage which should not be lower than the applicable minimum wage and a performance-based pay which gives priority to road safety and other parameters of performance and productivity.

- ✓ Conducted survey on transport road safety with drivers and conductors as participants
- ✓ Conducted Focus Group Discussion attended by Metro Manila Bus Operators Associations, bus drivers, operators, concerned government regulatory agencies and academe
- ✓ Results and recommendations presented to DOLE Senior Officials
- ✓ Joint statement on road transport safety signed by employers, workers and concerned government agencies (MMDA, LTRFB, LTO)
- ✓ Department Order on guidelines for the implementation of labor standards in the public bus transport industry was prepared and presented to the Technical Executive Committee of TIPC for discussion/comments.

- ❖ ***Impact Evaluation of ISTIV Program Phase II: Survey Report***

The study attempts to determine the impact of the ISTIV program on its beneficiaries, in terms of business performance, people development and labor administration outcomes. The results of the study will be used as basis to further improve the training module in terms of content, delivery and post-training evaluation.

- ✓ Survey was conducted in Region IVA particularly in companies which have undergone the full three-level training courses for owners, supervisors/managers and rank-and-file.

- ❖ ***Green Productivity Commitments / Action Plan of Partner Agencies***

- ✓ Signing of MOA/ Pledge of Support completed/ disseminated to partner agencies

- ✓ Conducted a number of discussion meetings with representatives of partner agencies clarifying commitments and collaboration arrangements

❖ *Analysis of the Use of the Criteria and Outcomes of Minimum Wages and Conceptual and Empirical Framework of the Two-Tiered Wage System Reform* completed and presented to the technical workshop on TTWS

1.6 Advisory Services

- Continued to provide advisory services and technical assistance to Congress through participation in public hearings/comments on pertinent bills on wages, productivity and related legislative proposals.

B. On Technical Assistance and Awareness-Raising/Capability-Building

2. **Productivity Improvement Programs.** To enhance productivity of micro, small and medium enterprises (MSMEs) and its workforce, the NWPC thru its Regional Boards:

- Conducted productivity improvement trainings and orientations on ISTIV technologies, 5S of Good Housekeeping, and Service Quality to **8,289** firms, benefiting **26,888** participants. Productivity improvement trainings are intended to instill positive work values among the workforce, introduce cost cutting/saving measures, plant layouts and process improvement, capacity building and other resources to improve plant-level productivity.
- Upgraded the existing ISTIV productivity modules to align them with evolving requirements of MSMEs and their workforce. This was done in collaboration with ILO using its Succeeding-in-Business Program.
- Conducted trainer's training to seventeen (17) officers and staff of the NWPC and Regional Boards and twelve (12) partner firms on ILO-Succeeding in Business (ILO-SIB) module facilitated by ILO Specialist. Eight (8) Regional Boards conducted ILO-SIB training
- Pilot-tested the revised Service Quality (SQ) for Hotels and Restaurants module in Regions IV-A, VII and IX. Prepared report of pilot-tested Regions re: SQ for Supply Chain
- Green Productivity (GP) – this program is intended to mainstream a culture of productivity and quality of the workplace vis-à-vis environmental protection thru application of environmentally sound manufacturing and service practices among MSMEs. To date, the NWPC developed Green Productivity Framework as well as Green Productivity modules for Training of Trainers and for Enterprise Training

3. **2011 Productivity Olympics**

- This project is conducted every 2 years alternating with the conduct of National Productivity Convention. The program aimed to enhance awareness on the importance of productivity improvement programs in improving workforce and enterprise productivity and competitiveness particularly among micro, small and medium enterprises (MSMEs); encourage more participation from MSMEs to avail of the productivity improvement programs, projects and services of the Commission; and expand network of productivity advocates/partners. The program is in its 3rd year starting in 2008, 2009 and 2011.
- For this year, the Regional Boards submitted sixty three (63) MSME nominees of which twenty five (25) were shortlisted by the National Screening Committee.
- Awarded cash and trophies to nine (9) national winners, five (5) special citations and eleven (11) national finalists on 27 October

4. **Learning Sessions**

- For January-December 2011, NWPC organized fifteen (15) Learning Sessions benefiting a total of 782 workers from 473 companies.

Learning sessions are public offerings of the NWPC providing detailed information and cliniquing on various topics on wages and productivity, including labor laws and DOLE policies. These cater to business owners, HR managers, IR managers and workers who want to improve their operation through acquisition of relevant information and familiarization on pertinent labor policies requirements.

5. **Operasyon PAWIS (Pagpapatupad ng Wasto at Itinalagang Sahod)**

- As of November 2011, the information campaign program approximately reached a total of 201,216 clients through mass media, labor education seminars/symposia, dissemination of IEC materials and prompt replies to email/phoned-in/walk-in queries.
- Prepared and issued 49 press releases on: two-tiered wage system, wage orders, wage exemptions, 2011 Productivity Olympics, articles on Productivity Olympics' winners, Green Productivity and Diskwento Caravan

6. **DOLE Green Productivity Program (GODP)**

- This is a collaborative program which intends to develop a training program designed to provide DOLE officials/employees with the knowledge of Green Productivity and relevant skills relating to practices of GP
- Prepared concept paper and guidelines on the GODP

- NWPC initiated contest on “Best Ideas on Productivity among DOLE offices with 12 entries evaluated. Awarded 3 top winners and 6 consolation prizes.
- Conducted orientation for DOLE Administrative Service on GDP, Productivity Concept and 5S of Good Housekeeping

7. **Domestic Workers**

- As member of the Tripartite TWG on Domestic Workers and DOLE Inter-agency Legal Team, attended/participated in fourteen (14) meetings relative to Kasambahay Bill and ILO Convention 189 on Decent Work for Domestic Workers; one (1) Regional Consultation for Luzon and one (1) Summit for Domestic Workers organized by the Visayan Forum Foundation Inc. and the Samahan at Ugnayan ng mga Manggagawang Pantahanan sa Pilipinas Inc. (SUMAPI).
- Provided legal and technical inputs to minimum wage determination and assisted in the drafting of DOLE position paper
- Conducted consultation meeting with RTWPB Secretaries on minimum wage determination for domestic workers

8. **Diskwento Caravan**

- Fourteen (14) Diskwento Caravans were organized in NCR in coordination with DTI, DOLE-NCR and PESO. Likewise RBs I, II, IVA, VI, VII, IX, X and XIII organized 55 caravans in their respective regions.

9. **Networking**

- Continued to expand its network, influence and strategic alliances on wages and productivity through meetings and dialogues with relevant organizations such as EDC, BSP, ILO, APO, DAP, Joint Chambers of Commerce and Industry and industry associations
- A Technical Working Group on Productivity Statistics (TWGPS) was organized by NSCB, headed by NWPC to assess the measures of labor productivity and recommend an official measurement of labor productivity. The TWG conducted series of meetings and came up with the draft methodology on estimating labor productivity statistics for presentation to the Inter-agency Committee on Labor and Productivity Statistics (IACLPS) through the NSCB.

C. **On General Administration and Support Services**


10. As of November, a total of 270 officers and staff underwent various local and foreign capability-building trainings and seminars, on various wage and productivity-related areas.

11. The revised NWPC's Rationalization Plan was re-submitted to the Department of Budget and Management on 11 August 2011
12. In line with the Agency's ISSP Plan, the NWPC acquired new IT resources amounting to P11,983,605.61 million. This covers the 2011 IT requirements of the Commission and its network of 16 Regional Boards all over the country.

D. Collaboration with DOLE

13. NWPC actively supported the following DOLE initiatives in terms of conduct of consultations, meetings and trainings; participation in discussions and FGDs, and as member of various TWGs:
 - Review of the Labor Code
 - Development of the Labor and Employment Plan
 - Social Protection Cluster activities
 - DOLE-wide Corporate Planning
 - Wage-related initiatives for Micro Enterprises (168/999 stores in Divisoria and Baclaran)
 - Incentivizing Compliance Program
 - Kasambahay bill, particularly on the wage provision
 - Green our DOLE program
 - Productivity Training for DOLE Frontliners

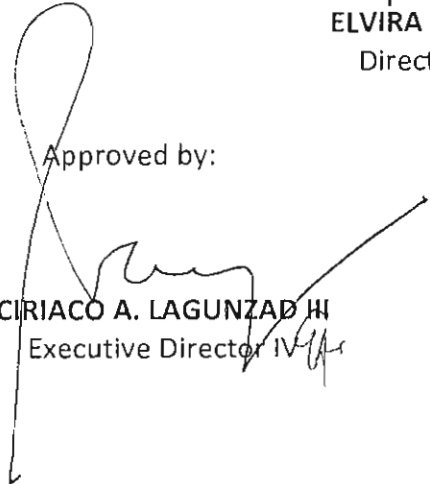
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