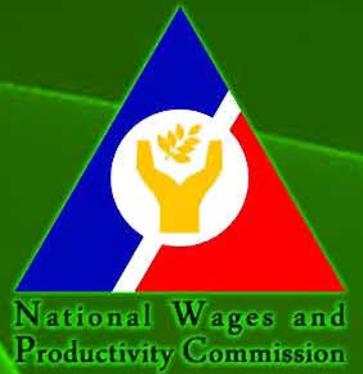


Annual REPORT 2012



Two-Tiered
Wage System



National
Productivity
Convention
2012



Productivity
Specialists

Green Our
DOLE

Table of Contents

Message of the Executive Director-----	1	
Review and Determination of Minimum Wages -----	2	
Application for exemption from the Wage Order-----	3	
Serving companies through FE and TMS-----	3	
Two-Tiered Wage System implementation off to a good start-----	4	
Two-Tiered Wage System for Bus Industry-----	6	
Legislative Bills on Wages and Productivity-----	7	
Policy Research and Development-----	9	
Two-Tiered Wage System for Taxi and Public Utility Jeepney Drivers-----	10	
Rapid Assessment of Priority DOLE/OWWA Livelihood Programs-----	12	
Tamang Kaalaman sa Kita at Kakayanan “T3K”-----	13	
Benefits Provided through Collective Bargaining-----	13	
Program Assessment of the ISTIV Training Program in Region IV-A-----	14	
Productivity Training Programs-----	15	
Capacitating RTWPBs for Green ME (My Enterprise) Program-----	16	
Implementation of Green Our DOLE Program-----	17	
Transforming DOLE frontliners into Productivity Specialist-----	18	
Trainer’s Training of Productivity Specialists-----	19	
Learning Sessions Level Up with High Client Turn-Out-----	20	
National Productivity Convention-----	22	
A Closer Look at the Regions		
Region II: PUB Operators Enjoined Compliance with D.O. 118-12-----	23	
RTWPB IV-A Pioneering the Implementation of the 2TWS-----	23	
Region VII: Regional Productivity Forum Highlights 2TWS-----	24	
Region X: Green Productivity Gets P32T Additional Funding Support-----	25	
RTWPB X Goes to Thailand for a Benchmark Visit-----	25	
The NWPC Members of the Commission-----		26
The NWPC Directors-----	27	
The NWPC Division Chiefs-----	27	
The RTWPB Board Secretaries-----	28	
The NWPC Divisions-----	29	
The NWPC Board Members and Secretariat -----	32	
Mission, Vision, Mandate-----	36	

Message of the **Executive Director**

For more than two decades, the NWPC has succeeded in enacting a range of interventions that contributed to the attainment of a highly productive, competitive, and well compensated Filipino workforce—our lasting contribution toward the development of our human resources capital. More than regulation and wage setting, we have also benchmarked a range of productivity training, research, and advocacy activities that helped strengthen the competitiveness of many enterprises.

As an important competency pillar of the commission, these initiatives are geared toward guaranteeing that the present and succeeding working age population will be equipped with the right skills set that will bring about an improved delivery of services; thus, increasing the competitiveness and adaptability

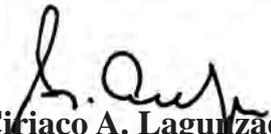
of enterprises to respond to the constantly challenging demands of their clientele. Specifically, we have held the biennial National Productivity Convention, which exposed our partners and stakeholders to the latest productivity technologies and measurements, good practices on gainsharing schemes, climate change and green workplace. This will help new and emerging MSMEs to better understand and strategically respond to the rigors of the Philippine economy.

Further, in line with our efforts to operationalize the Enhanced Social Protection Operational Framework and Strategy of the Philippines, we have recently implemented the Two-Tiered Wage System (2TWS) in all our regional offices starting with NCR, CAR, I, III, IV-A, IV-B, VII, and VIII. Documented good practices such as the provision of productivity-based incentive pay to workers will serve as our working model when the 2TWS will be eventually evaluated. Likewise, we have revamped the commission-based compensation scheme to adopt a part-fixed and part performance-based compensation scheme for the public utility bus industry. Enacted through Department Order No. 118-12, all bus drivers and conductors are now enjoying better compensation and improved working condition, ensuring the greater safety of the riding public.

In the coming year, I hope we will continue to re-innovate our approaches and strategies to ensure a decent standard of living for the minimum wage earners and their families and the competitiveness of enterprises through talent development. Let us take bold actions to achieve this vision.

I am proud to endorse this publication to the general public as such represents our milestones and unwavering desires to promote decent and productive employment for all. Let us continuously work together so as to inspire our social partners, workers, and enterprises to support our programs and advocacies on wages, income, and productivity.

Many thanks and Mabuhay!


Ciriaco A. Lagunzad III
Executive Director IV



Review and Determination of Minimum Wages

13 New Wage Orders in 2012

This year, thirteen RTWPBs specifically Regions NCR, CAR, I, II, III, IV-A, IV-B, V, VI, VII, VIII, XII and ARMM issued Wage Orders (WOs) granting wage increases in the form of basic pay and/or Cost of Living Allowance (COLA).

The increase ranges from P2.00 in Region IV-A to P71.00 in Region IV-B. At present, the highest daily minimum wage is pegged at P456.00 in NCR while the lowest is at P232.00 in ARMM (See Table 1).

Most of the issuances were decided 'motu proprio' or upon their own initiative, despite wage petitions received by the Boards. This year's round of WOs include a provision on the issuance of advisories on productivity or performance-based pay.

Prior to the issuance of Wage Orders, the RTWPBs conducted a total of forty-two wage consultations and public hearings attended by labor and employers groups, concerned government offices, and private individuals.

53.85%

of the Wage Orders were issued motu proprio

42

wage consultations and public hearings were held across the country

13 RTWPBs (NCR, CAR, I, II, III, IV-A, IV-B, V, VI, VII, VIII, XII and ARMM) granted wage adjustments ranging from P2.00 to P71.00 per day.

Wage Order	Granted Wage Increase	Date of Effectivity	New Highest Daily MW Rate
Wage Order No. NCR-17	<ul style="list-style-type: none"> P30.00 COLA Integration of P22.00 COLA under the previous wage order into the basic pay 	03 June 2012	P456.00
Wage Order No. CAR-15	<ul style="list-style-type: none"> P8.00 basic pay 	18 June 2012	P280.00
Wage Order No. RB I-15	<ul style="list-style-type: none"> P5.00 - P8.00 basic pay 	25 July 2012	P253.00
Wage Order No. RTWPBII-15	<ul style="list-style-type: none"> P10.00 basic pay Integration of P15.00 COLA under WO RBII-10 into the basic pay 	16 May 2012	P255.00
Wage Order No. RTWPBIII-17	<ul style="list-style-type: none"> P6.00 - P14.00 basic pay Integration of P24.00 COLA under WO RBIII-16 into the basic pay 	11 October 2012	P336.00
Wage Order No. IVA-15	<ul style="list-style-type: none"> P2.00 - P18.00 basic pay Integration of P24.00 COLA under WO No. RBIII-16 into the basic pay 	15 May 2012	P349.50
Wage Order No. RBIV-B-06	<ul style="list-style-type: none"> P5.00 COLA P1.00-P66.00 basic pay 	01 February 2012	P275.00
Wage Order No. RBV-15	<ul style="list-style-type: none"> P3.00-P23.00 basic pay 	07 April 2012	P252.00
Wage Order No. RBVI-20	<ul style="list-style-type: none"> P12.00 basic pay 	31 May 2012	P277.00
Wage Order No. VII-17	<ul style="list-style-type: none"> P22.00 basic pay 	07 December 2012	P327.00
Wage Order No. VIII-17	<ul style="list-style-type: none"> P7.00 COLA Integration of P10.00 COLA under WO No. RBVIII-16 	16 October 2012	P260.00
Wage Order No. XII-17	<ul style="list-style-type: none"> P10.00-P14.00 COLA Integration of P15.00 COLA under WO No. RBXII-16 into the basic pay 	18 April 2012	P270.00
Wage Order No. ARMM-14	<ul style="list-style-type: none"> Integration of P10.00 COLA under WO No. ARMM-13 into the basic pay 	21 September 2012	P232.00

Table 1: The new minimum wages in 13 regions after the issuances of their Wage Orders.

Application for exemption from the Wage Order

162

establishments
applied for
exemption

This year, 162 establishments filed for exemption; 123 of which were approved, 20 denied, and 12 dismissed. The remaining seven (7) applications were received between December 11-26, are being processed by the concerned RTWPBs. To note, the Boards are given 45 days to process applications for exemption.

123

approved

NCR received the most number of applications totaling 135. It is followed by Caraga with nine (9) applications, Region VII with six (6), Region I with four (4), Region II with four (4), Region V with two (2), Region IX with one (1) and Region XII with one (1).

20

denied

12

dismissed

Serving companies through FE and TMS

132

FE Orders
issued

Since the task of conducting Facility Evaluation (FE) and Time and Motion Studies (TMS) was transferred to the NWPC from the Bureau of Working Conditions, capacity building activities have been conducted for the Regional Boards to ensure the determination of fair and reasonable standards. This was done in coordination with the academe.

38

production
standard
orders issued

The NWPC also drafted and issued the guidelines on the conduct of FE and TMS. This was approved by the Tripartite Executive Committee (TEC) on November 12 and by the Tripartite Industrial Peace Council (TIPC) on November 29.

This year, the RTWPBs issued 132 FE and 38 production standard orders.



Time and Motion Study is a systematic determination of work methods and time standards using various tools/techniques wherein the period of time a machine or an average worker needs to perform a specific job is measured.

Facility Evaluation is an evaluation tool used by the RTWPBs to determine the fair and reasonable value of facilities voluntarily provided by the employer to employees as part of wages.



Two-Tiered Wage System implementation off to a good start

The last two years of advocacy, planning, consultations and deliberations to improve the wage policy and system in the country through the adoption of the Two-Tiered Wage System (2TWS) has been gaining ground. This year, eight regions have already incorporated in full or in part the 2TWS in their Wage Orders.

CALABARZON
the first to adopt
2TWS

In May 15, RTWPB-CALABARZON issued WO No. IVA-15 which sets the floor wage at P255.00 with succeeding wage adjustments to be given in tranches until 2016. For those receiving above P255 to P337, a P12.50 Conditional Temporary Productivity Allowance (CTPA) is given. On top is a productivity-based pay which is voluntary in nature, ranging from 5.6% to 10.9% of the basic pay of the worker, depending on the sector where the worker belongs to.

Seven more regions—NCR, CAR, I, III, IVB, VII, and VIII—included a special provision in their WOs that encourages employers to provide productivity based-incentive pay to workers.

7 Regions
include a special
provision for
productivity pay

To assist the RTWPBs in implementing 2TWS, the NWPC issued the implementation guidelines on September 21. It was then published in Manila Times on October 11 and consequently took effect on October 26.

Per the guidelines, the 1st tier or the minimum wage will be set at an amount higher than the poverty threshold to protect poor and vulnerable workers from undue low wages but not to exceed average wages to broaden the space for bipartite approaches in setting better terms and conditions for employment. RTWPBs will use references such as poverty threshold, average wage and socio-economic indicators in setting the minimum wage.



NWPC Deputy Executive Director Esther F. Guirao is discussing the appropriateness of 2TWS in setting the country's minimum wage during a briefing held in Laguna on January 17.

On the other hand, the second tier shall consist of productivity bonuses and incentives based on agreement between workers and management. The RTWPBs will issue an Advisory to guide enterprises on the range of Productivity incentives and bonuses.

Prior to these, area-based consultations were conducted in Baguio City on February 16, in Tagaytay City on February 24, in Cebu City on March 1 and in Davao City on July 9 to re-orient the social partners and other stakeholders on the 2TWS.



*Right: Participants in the area-based consultation in Baguio City discussing action plans to implement the 2TWS in their respective regions.
Above: Mr. Sangheon Lee, a wage expert of International Labour Organization- Geneva explains the features of 2TWS and how it is used in other countries.*



The Two-Tiered Wage System or 2TWS consists of two components: (1) a mandatory regional minimum wage, as the first tier and (2) voluntary performance or productivity-based pay based on agreement between workers and management.

Proposed by NWPC, the adoption of 2TWS will result to more effective protection of poor and vulnerable workers and will enable and encourage workers and enterprises to pursue higher levels of productivity.

Two-Tiered Wage System for Bus Industry

2012 was a busy year for the bus transport industry, as it adopted the part-fixed part-performance (PFPP) based compensation scheme.

January 17
DO 118-12 was
published

On January 17, DOLE issued Department Order No. 118-12 after which, its Operational Guidelines was issued on February 27. Under the Order, all bus companies in the country are mandated to adopt the PFPP scheme, taking into consideration the revenue, ridership, safety, and other related parameters.

The fixed component is an amount that is mutually agreed upon by the owner/operators and drivers/conductors which is not lower than the applicable minimum wage. This may be based on a time unit of work or per trip or per kilometer.

PFPP scheme
the new pay scheme
for all bus drivers and
conductors

The performance-based wage component, on the other hand, considers business performance which includes revenue or ridership and safety performance taking into consideration safety records such as incidence of road accident and traffic violation. NWPC prepared models for the computation of business and safety performance as guidance in computing this component.

Meanwhile, NWPC along with partner agencies conducted a series of group and one-on-one consultations, orientations and technical assistance to bus companies in developing their PFPP based compensation scheme.

110
number of bus
companies that has
already complied with
DO 118-12

Once the companies develop their PFPP and comply with other requirements of DO No. 118-12, they will be given the Labor Standards Compliance Certificate (LSCC) by the DOLE Regional Offices. The LSCC is a new major requirement for application and renewal of franchise with the Land Transportation Franchising and Regulatory Board.

Before the year ended, DOLE has issued a total of 185 LSCCs covering a total of 7,252 bus units, 8,659 bus drivers, and 8,230 conductors in Regions NCR, CAR, II, III, IV-A, VI, IX, X, XI, and XII.



Exec. Dir. Ciriaco A. Lagunzad III is explaining the new part-fixed part performance-based compensation scheme for bus drivers and conductors during a press conference organized by LTRFB on January 10, 2012.

Legislative Bills on Wages and Productivity

The NWPC prepared six (6) comments/ position/ technical papers on various Legislative bills on Wages and Productivity.



Minimum Wage for Domestic Workers

As a government agency in charge of wages, incomes and productivity policy, the NWPC provided technical advice to DOLE during the bicameral conference on the *Kasambahay* Bill. The *Kasambahay* Bill applies to all domestic workers employed and working within the country.

The *Kasambahay* Bill proposes that the minimum wage of domestic workers shall not be less than the following: (1) two thousand five hundred pesos (P2, 500.00) a month for those employed in the National Capital Region (NCR); (2) two thousand pesos (P2, 000.00) a month for those employed in chartered cities and first class municipalities; and (3) one thousand five hundred pesos (P1, 500.00) a month for those employed in other municipalities.

The Bill also proposes that all kasambahays will be entitled to 13th month pay and other social benefits such as SSS, PhilHealth and Pag-IBIG along with service incentive leave and day-off.

It also proposes that after one year from the effectivity of the proposed Bill, and periodically thereafter, the RTWPBs shall review and if proper, determine and adjust the minimum wage rates of domestic workers.

Across-the-Board P125 Wage Increase

The DOLE adopts the view that there should be high and rising living standards for workers and their families. Studies, however, showed that an across-the-board P125 daily wage increase is likely to do more harm than good. It will weaken the economy through higher prices, loss of jobs, and slower overall economic growth.

With these implications, the NWPC recognizes and balances the rights of both workers and management to share in the fruits of production.

It is therefore necessary to preserve the current policy on minimum wage setting through the Regional Tripartite Wages and Productivity Boards. The tripartite structure of the RTWPBs ensures representation of both workers and employers in decision making. In addition, the Board is able to conduct consultations and public hearings for the general public. This kind of system takes into account the differences in the levels of socioeconomic development across

regions, as well as the impact of minimum wage adjustments on the economic development of the region.

As part of the continuing efforts of the DOLE to make the minimum wage policy more responsive to the needs of workers, the NWPC/RTWPBs have started the groundwork for the implementation of the 2TWS. This aims to improve the coverage of minimum wages and promote productivity improvement.

In line with this, the RTWPBs conduct productivity training programs for micro, small, and medium enterprises to enable workers and management design and implement productivity improvement programs and gainsharing schemes.

There are also a number of non-wage measures designed to augment workers' income, such as providing tax relief by exempting the income of minimum wage earners from taxation; subsidies in basic services such as in education, housing and skills training; health insurance; and social security programs under the SSS.

ILO Convention Nos. 81 (Labor Inspection Convention) and 129 (Labor Inspection)

The NWPC supports the ratification of the aforementioned ILO Conventions on building an effective labor inspectorate system for purposes of enforcement of labor standards.

In particular, ILO Convention Nos. 81 and 129 are important in the enforcement of minimum wages.

However, concerning ILO Convention 81, the NWPC maintains its reservations on the exception of the mining and transport sectors as minimum wage policies cover workers in these sectors under the broad classification of non-agriculture. To note, the highest minimum wages are generally set for workers in the non-agriculture sector.

Relative to ILO Convention 129, an effective labor inspection system should consider the peculiarities in the minimum wage structures in agriculture. In most regions, minimum wages in agriculture are further classified into plantation and non-plantation. In some sugar-producing regions, unique classifications for minimum wage setting have also been adopted.

Inputs to Real Sector Outlook (IMF Consultation Mission)

The NWPC regularly joins the DOLE team during the annual IMF Consultation Mission. This year, the NWPC discussed the conceptual and empirical framework of the Two-Tiered Wage System (2TWS). The NWPC also provided updates on the issuance of Wage Orders by the RTWPBs within the 2TWS.

Policy

Research and Development

NWPC's two research divisions, Wage Research and Policy Development Division (WRPDD) and Productivity Research and Policy Development Division (PRPDD), conduct studies on issues and matters related to wages, incomes, and productivity. The results of these studies are used as references in determining and fixing minimum wage rates and in formulating policies and guidelines.

Development of Methodology on Estimating Labor Productivity

In 2008, the National Statistical Coordination Board (NSCB) created Technical Working Group on Productivity Statistics (TWGPS) to develop an official formula for estimating the country's labor productivity.

The group identified the various formulas used in the Philippines and in other countries. It was found out that in the Philippines, there are different formulas used by various government agencies such as DOLE-Bureau of Labor and Employment Statistics, National Economic Development Authority, Development Academy of the Philippines, DOLE-Institute for Labor Studies, and DOLE-NWPC. These government agencies publish and disseminate their estimates annually.

The group analyzed the formulas and decided on an official methodology to be recommended to the IACLIPS and to the NSCB for adoption.

On its part, NWPC evaluated its existing measurement and subsequently proposed the use of Gross Domestic Product (GDP)/Employed Person, in computing labor productivity for purposes of macro level planning and formulation and for international comparison.

Meanwhile, the NSCB proposed formula GDP/Hours Actually Worked is suggested to be the supplementary measure of LP to capture underemployment which is a serious problem in the Philippines. It better captures the quality of employment as well as the situation of the country during crisis.

As of this date, these recommendations still await the approval of the NSCB.

Two-Tiered Wage System for Taxi and Public Utility Jeepney Drivers

Following the issuance of D.O. 118-12 regulating the employment and working conditions of drivers and conductors in public utility buses, DOLE Secretary Rosalinda Dimapilis-Baldoz directed the NWPC to look into the compensation and working condition of other public utility vehicles, notably the taxis and jeepneys. On January 17, she issued Administrative Order No. 23 which directs the conduct of a rapid survey on PUB and taxi plying various routes in Metro Manila.

The rapid survey was conducted on September 20-21 covering 125 jeepney drivers and on September 25-28 covering 84 taxi drivers and 13 operators.

Below are the highlights of the study:



On taxi drivers and operators

- Most taxi drivers learned driving through informal modes and only few of them acquired driving skills from formal training. Half of them have been driving for less than 10 years while the remaining half has been driving for 20 years or more.
- Traffic violations include disregarding traffic signs, speeding, and driving without seatbelt committed mostly by drivers who are in the profession for less than 5 years and for more than 20 years.
- Daily take-home pay ranges from less than P500.00 to P1,000.00 after paying boundary of more or less P1,000.00. Accordingly, the higher boundary payment forces taxi drivers to work longer hours to earn higher take-home pay.
- Drivers' earnings are affected by undue competition with unregistered "colorum" taxi units and bribery "kotong" to traffic enforcers or highway patrol officers to avoid penalty in violating traffic rules.

Collision

the most common
accident



P1,000

approximate amount of
boundary fee

- Operators disclosed that their operational expenditures particularly for towing and repair of taxi units increased over the past two years.
- More than half of the taxi drivers particularly those with take home pay of P750.00 or less and those working more than 16 hours support the implementation of a part-fixed part-performance-based compensation scheme.
- In contrast, 87% of the operators are against the said scheme.



increasing
operational expenses
such as towing



On jeepney drivers

- Very few (7%) jeepney drivers have a formal training on driving while the large majority (92%) learned driving only through friends or relatives or by observing others. Half of them have been driving for at least 15 years while the rest have fewer years of experience.
- Majority of the respondents said that their traffic violations mostly include disregarding traffic signs and driving without seatbelt.
- Most of these drivers are working over 8 hours a day. Their take home pay ranges from P250.00 to P749.00 after taking off the daily boundary amounting P250.00 to P1,000.00. According to them, the boundaries are arbitrarily set. If boundaries are set too high, they are forced to work longer in order to earn higher take home pay.
- 44% of the drivers-respondents were not amendable to the part-fixed and part-performance (PFPP) whereas 38% were amendable and 18% were still undecided.
- Drivers with P750.00 or less take home pay and working less than 12 hours per day favored the proposed compensation scheme.

7% only
of Metro Manila drivers
has formal training in
driving

92%
learned driving through
friends and relatives or
by observing others

P250-749
daily take home pay of
jeepney drivers

38%
favored part-fixed part
performance-based pay
scheme

Rapid Assessment of Priority DOLE/OWWA Livelihood Programs

Early this year, a composite team from DOLE composed of NWPC, Occupational Safety and Health Center (OSHC), Overseas Workers Welfare Administration (OWWA), Bureau of Labor Relations (BLR), Bureau of Working Conditions (BWC), and Bureau of Workers with Special Concerns (BWSC) conducted a rapid assessment of selected beneficiaries of the DOLE/OWWA livelihood programs in Region X to find out the kind of assistance they need to improve their business conditions in the aftermath of typhoon Sendong.

The study revealed that the steady income that beneficiary-respondents get from the said livelihood program help them pay expenses for food, transportation, education of their children, utilities, and to some extent, finance their own business.

However, numerous improvements and assistance are needed to amplify the impact of the livelihood programs on the life of the community which has then led the DOLE team to propose the following:

1. Additional capital for business with high potential for success.
2. Capacity building on basic business planning and management, good housekeeping, occupational safety and health, food safety and handling, good manufacturing practices, customer relations, organizational development/value formation, demand analysis of products and services and production techniques.
3. Strengthen linkages with other agencies for product development (DTI, DA, DOH-BFAD), compliance to food standards (DOH-BFAD), technology (DOST) and markets/customers (DOST, DTI, LGUs, local chambers).
4. Revisit lending policy of OWWA with Landbank and National Livelihood Support Fund (NLSF).
5. DOLE/OWWA to conduct regular monitoring and evaluation of projects to find out specific assistance needed and to ensure sustainability of projects.

Tamang Kaalaman sa Kita at Kakayanan “T3K”

The Tamang Kaalaman sa Kita at Kakayanan or “T3K” is the advocacy and information program previously referred to Operasyon PAWIS. In addition to PAWIS’ objective of raising public awareness on the applicable minimum wage rates, the new T3K also promotes productivity improvement among MSMEs.

T3K purposely denotes “Kaalaman” as the first K to sum up the program’s information campaign such as stakeholder consultations, public hearings, training programs, and the distribution of related information and educational campaign materials (IEC). This also includes the conduct of Learning Session on Wages and Productivity.

The 2nd K is “Kita”: this reflects the program’s first objective which is to inform the public of the mandated minimum wage rates by region and/or industry and ensure compliance thereof.

The 3rd K is “Kakayanan”: this translates to the program’s second objective which is to encourage workers and businesses alike to adapt productivity improvement practices (PIPs).

Meanwhile, this year’s information campaign has reached 208,563 clients nationwide.

Benefits Provided through Collective Bargaining

This year, NWPC embarked on a study which look into the wage increases accorded to employees through collective bargaining agreements (CBAs) and compared it against the wage increase granted by the RTWPBs.

Based on the DOLE’s Bureau of Labor and Employment Statistics report in 2010, a total number of 396 CBAs were registered by companies in manufacturing, transportation, storage, communication, trade and fishing industries. Majority came from manufacturing.

Data showed that on average, workers benefit through annual wage increases ranging from P10.00 to P30.00 through CBAs. Workers also enjoy other benefits such as leave credits, allowances and insurance coverage, which are over and above those mandated under the Labor Code. Others also provide performance-based incentives.

Program Assessment of the ISTIV Training Program in Region IV-A

The assessment study aims to determine the effectiveness of NWPC's ISTIV Training Program and ISTIV-PAP in expanding workplace productivity and to provide recommendations to improve and strengthen ISTIV programs and other productivity interventions.

The survey covered two large and three small establishments in CALABARZON that have completed the ISTIV training program for the period of 2000 to 2009.

The result showed that the large establishments are still beset with challenges in doing inventory, unclear and complicated procedures, high-priced utilities, external defects due to contamination, and difficulty in implementing 5S.

The small establishments showed diverse results. The first establishment, though able to surpass its sales target, is laden with poor work attitude of workers, weak leadership, and inferior working conditions. The HR managers who attended the productivity trainings failed to cascade their learnings on ISTIV and 5S to the employees. This was compounded by lack of follow-up trainings from the RTWPB to reinforce learnings. On the other hand, the second and third establishments have successfully completed the full cycle of ISTIV Productivity Training Program and are continually receiving assistance from the RTWPB. Fittingly, both companies made it as regional and national finalists for the 2008 Productivity Olympics.

Among the recommendations of the study are:

1. Prioritize MSMEs and Filipino-owned companies in Productivity Training Programs and encourage them to be part of the ISTIV training program and Productivity Olympics.
2. Expand the program through a Small Brother and Big Brother approach by encouraging the suppliers of the pilot-tested establishments to avail of the NWPC training program.
3. Require company beneficiaries to submit to the RTWPBs an assessment on issues/problems encountered during the development and implementation of ISTIV in their respective establishments.
4. The RTWPBs should regularly monitor or visit the beneficiaries.
5. Develop a mechanism (e.g. reporting system, site visit/assessment, etc.) to measure effects of ISTIV and other NWPC training interventions.



ISTIV evaluators Ms. Rosemarie Villaplaza and Ms. Mildred Morales (in blue blouses) listen as Ms. Olive Roa, the Research and Development Manager of Sealand Industrial Supply, explains the company's operational workflow.

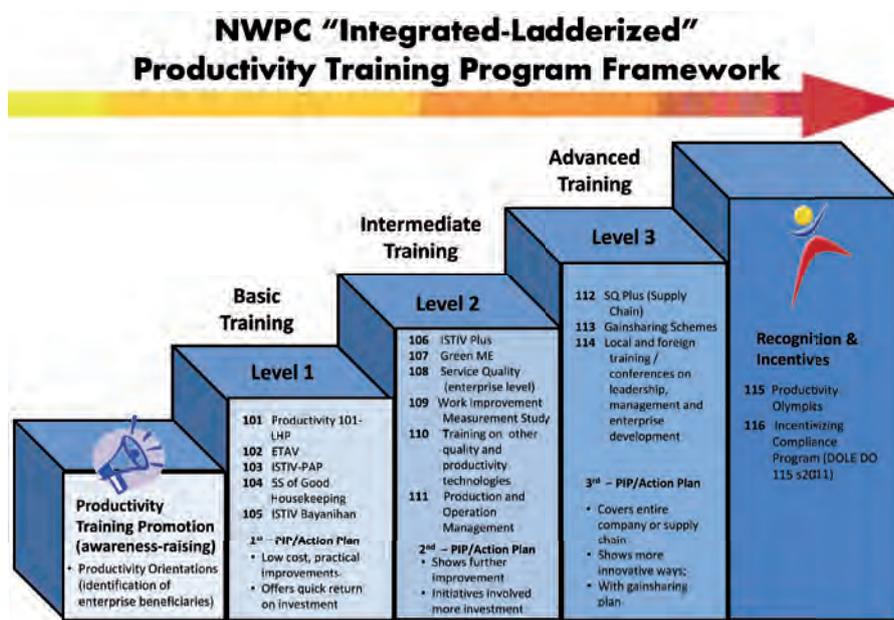
Productivity Training Programs

Productivity Improvement Programs for MSMEs

NWPC promotes and conducts a number of capacity building programs aimed at increasing the productivity of MSMEs that form 99% of the total establishments in the country.

Among the training programs that NWPC/RTWPB conduct are: Labor-Relations Human-Relations and Productivity (LHP), ISTIV Bayanihan, ISTIV Plus (Succeeding in Business Program), Green ME, 5S of Good Housekeeping, Green Productivity and Service Quality for Key Employment Generators.

1.57%
increase rate of
labor productivity in
year 2012



2,685
firms given
productivity
trainings

10,178
workers given
productivity
trainings

On April 23, the guidelines on Standard Implementation of Productivity Training Programs was issued to the RTWPBs for the effective conduct of the above-mentioned programs. To further standardize the conduct of productivity improvement programs, RTWPBs now follow the integrated ladderized productivity training framework. The framework provides the structure by which training should flow to create greater impact.

On February, the new module for Green Productivity (GP) was pilot tested in NCR and Region X and consequently revised based on the results of the pilot-test to make it more effective and relevant to the requirements of the industry.

The productivity trainings for 2012 benefited 2,685 firms with 10,178 workforces while the productivity orientations benefitted 6,884 firms with 17,922 workforces. This resulted to the formulation and implementation of 1,901 action plans/PIPs.

Capacitating RTWPBs for Green ME (My Enterprise) Program

In its second year, Green ME is continually gaining recognition and support from the private and public sectors.

In order to prepare the NWPC/RTWPB trainers to engage in climate change and green workplace issues and solutions, a knowledge building session titled “Green Pathways to a Green Workplace, Greener Workforce” was conducted by ILO. Industry practitioners/experts from De La Salle University, DOE, DA, DENR, and National Solid Waste Commission-Environment Management Bureau (NSWC-EMB) were invited to discuss policies, programs and initiatives on solid waste management, energy and water conservation and pollution control.

This was followed by a 3-day trainers’ training to capacitate the RTWPBs in implementing the Green ME program in their respective regions. The trainees were taught green productivity concepts, techniques and its value-adding benefits in greening the work, workforce and workplace.



Participants in the Green ME training share ideas during a group exercise. The training was held in mid-February at Bayleaf Hotel, Manila.



Green ME (My Enterprise) is a training and consulting program that recognizes the workforce as the driver of change in the enterprise. It has two main components: Green Values – “GP starts with one self”, where the self has to value the environment. In the workplace, every worker, supervisor/manager and owner should espouse the green values. Green Techniques – these green values are applied through the company’s systems using green techniques such as: waste prevention, resource conservation, pollution control, and product improvement. Expected green outcomes in the enterprises are increased efficiency, safety and health, environment quality and improved competitiveness.

Implementation of Green Our DOLE Program

This year, NWPC fully implemented the GODProgram in its office.

The NWPC Safety Committee and its 3 sub-committees, namely: Preventive Committee, Health Committee, and Disaster Committee were organized. The committees are tasked to carry out the GODP program which include the diligent conduct of 5S of Good Housekeeping.



*Above: NWPC employees gleefully pose for a photo upon arrival at the planting site. The journey from the highway to the site took almost an hour.
Right: Employees helped each other to finish planting the 300 seedlings.*



A contest on best 5S units and divisions was launched with the Legal Division emerging as winner of being the best 5S implementer, an exemplar of cleanliness, orderliness and organization.

During the latter part of the year, NWPC embarked on a tree-planting activity in Alfonso, Cavite and planted 300 bignay trees with the help of DENR foresters and local villagers. Hopefully, these trees would grow to replenish the country's dwindling forest resources. After a few years, NWPC will revisit the plantation site to check on the conditions of their adopted trees.

Transforming DOLE frontliners into Productivity Specialists

Early last year, Secretary Baldoz gathered business and industry experts/practitioners in a forum at the Bayleaf Hotel, Intramuros, Manila to solicit their insights and views on how to realize the vision of transforming DOLE frontliners into Productivity Specialists and to identify potential areas for partnership.

In her talk, Sec. Baldoz explained that “We think of the term Productivity Specialist, as it embodies the idea of someone who has the ability to advise, assist and guide another towards continuous improvement, growth, and development”.

She added, “to become a Productivity Specialist would require a paradigm shift from a highly regulatory frame to a more developmental perspective. Admittedly, this is a big challenge, even as it involves fundamental changes in mindset and behavior of our officers and personnel.”

Director Lagunzad presented a framework on micro and small enterprises’ stages of growth, the characteristics of each stage and the package of assistance to support their transition from one stage to another. According to Dir. Lagunzad, having this information in mind helps DOLE policy makers and program managers understand the transition requirements, develop appropriate programs, projects and services.



The congenial exchange of ideas, insights and views on how to address this challenge has led to possible areas for partnership with experts. These include building leadership capacities of DOLE officials; re-engineering of training programs; capacity building for MSMEs to prepare for both local and global market integration; information sharing among experts, other government agencies and DOLE on MSMEs integration in the global market; developing strategies to effectively mainstream MSMEs to supply chain; developing industry standards, processes and systems for businesses to improve work processes and design feedback mechanisms on the effectiveness of the standards, processes and systems; capacity building for MSMEs that will include mindset and behaviour setting towards better financial stewardship and convergence of programs and services directed for MSMEs such as with DOST, DTI, and other concerned agencies among others.

The event was also highlighted by the forging of a Partnership Agreement between the Philippine Institute of Industrial Engineers (PIIE) and NWPC where in PIIE committed to develop and implement strategies in support of DOLE’s thrust towards more developmental and productivity-oriented approaches in assisting DOLE officers and enterprises particularly in the area of work improvement measurement and production management.

Trainer's Training of Productivity Specialists

The major shift in DOLE's governance philosophy, i.e., from a traditionally regulatory approach to more developmental in delivering its programs and services, requires reorientation and retooling of its officers and frontliners and implementation of a communication development strategy that secures the support of DOLE's constituencies, priority stakeholders and overseers. In support of this planned change, a capacity building activity was organized in 3-14 September 2012 at Kimberly8 Hotel in Malate, Manila participated by 24 senior and junior level officers from BWC, BWSC, BLR, OWWA, HRDS and NWPC.

The two-week Trainer's Training for DOLE Productivity Specialist focused on honing the knowledge and skills of participants in management concepts, principles and functions. To achieve this objective, the said capacity building activity utilized a combination of learning methods such as lectures, workshops, case studies and plant level visits. Part of their learning journey is to identify areas of specialization e.g. marketing, planning and to craft an action or re-entry plan where they have to demonstrate their learnings and skills. Prof. Rumel Atienza of Dela Salle Department of Industrial Engineering and his colleagues facilitated the training activity.

Relative to this, NWPC also explored the possibility of a capacity building program on productivity in partnership with Nanyang Polytechnic Inc. and Temasek Foundation in Singapore. The proposed training program aims to develop 120 Philippine Productivity professionals to assist MSMEs improve their productivity. The program is multi-level, multi-sectoral and application-based in approach.

At year-end, the NWPC has created the Project Management Team to handle the screening and selection of participants from both the public and private sectors. The Nanyang/Temasek Team visited the NWPC/DOLE and discussed the operational and financial details of the program which will commence on April 2013 up to March 2014.



*Above left: DOLE Secretary Rosalinda Dimapilis-Baldoz and Prof. Rumel Atienza during the Trainer's Training
Above: Secretary Baldoz is talking before the participants.
Left: The first batch of Productivity Specialist with the DOLE Secretary and NWPC Executive Director Ciriaco Lagunzad III during a 2-week training.*

Learning Sessions Level Up with High Client Turn-Out

33%

more LS conducted
than the annual
target

902

individuals
participated in LS

2012 proved to be an ‘abundant year’ for the agency’s conduct of Learning Session on Wages, Incomes and Productivity, as it surpassed its target number of Learning Sessions by 33%.

The sessions were attended by 902 participants, 82% are profiled female attendees, representing 523 companies with most of these companies located within the National Capital Region. Some of the participants though came as far as Nueva Ecija (re: cottage industries) and Pampanga (re: shipping companies).



Participants ask questions to clarify their cases related to the topic during the Learning Session. Issues and concerns in the workplace raised by participants are also entertained during the cliniquing session.

twitter 

we posts updates at our
official Twitter account
[https://twitter.com/
DOLE_NWPC](https://twitter.com/DOLE_NWPC)

facebook 

you can confirm your
attendance at our
official FB account
[www.facebook.com/
NationalWages](http://www.facebook.com/NationalWages)

Another innovation introduced in 2012 is the conduct of a second round of cliniquing sessions held immediately after the program’s open forum segment. Interested participants may approach any of the agency’s officers and resource speakers for a one-on-one consultation. The cliniquing portion is also viewed as an avenue for the agency to invite MSMEs to avail of the agency’s myriad of productivity improvement programs. The utilization of online facilities and value-added service such as cliniquing has brought NWPC closer to its diverse client base, sharing relevant and up-to-date information whenever needed as well as transforming individuals into partner-advocates of productivity improvement.



Above Left: NWPC's Legal Division Chief Atty. Welma Sycangco answering questions from the participants during the Q&A portion on Correcting Wage Distortion. Above right: NWPC -WRPDD Chief Atty. Jamie-Lyn J. Garcia discussing the rights of women employees during the LS on Labor Issues for Women.



NWPC's Learning Session on Wages, Incomes and Productivity is an advocacy program aimed at educating and informing the public and stakeholders on pertinent laws, rules, jurisprudence, including emerging issues on wages, productivity, incomes, and related labor and employment concerns.

This program is open to all individuals including employees, business owners, entrepreneurs, students, and even civil servants. Some companies even attend in groups. Surprisingly, clergy with established non-profit organizations also enlist in the program.

NWPC's conduct of learning sessions started in 2008, covering topics on wage orders and their implementing rules, wage distortion, tax exemption for minimum wage earners, labor standards, and productivity.

Thereafter, the program has expanded to include subject matters on Labor Management Cooperation, new rules on contracting and sub-contracting, primer on labor relations, handling disciplinary action, and crafting code of conduct among others.

Not to be left out are topics on productivity improvement that are equally sought after by the program's regular clients. These include Service Quality Program, the 5S of Good Housekeeping, and Green Productivity.



National Productivity Convention

Bannered with the theme “Productivity and Decent Work: Building Blocks to Competitiveness”, this year’s National Productivity Convention was held at the Century Park Hotel in Manila on October 17-18 and attended by some 300 participants from private, public and international organizations involved in the productivity movement.

The Convention’s main highlight is the Productivity Talks where experts/resource speakers, local and international, discussed various topics on competitiveness, emerging productivity technologies, productivity measurements, good practices on gainsharing schemes, climate change and green workplace issues.



To spice up the event, a Forum of Winners featured selected 2011 Productivity Olympics winners who shared their good practices, experiences and strategies on successfully starting and managing their businesses and the benefits of productivity improvement programs in maintaining their business and in sustaining the gains of business improvement.

The resource speakers were from EPSTEMPCO (a public-private school teachers’ cooperative in Negros Occidental in Region V), St. Joseph Academy (a private school in Mandaue City in Region VII), Tesoro’s Printing Press (Region XI), Markenburg International Foods (marshmallow producer, Region III), Farmtech Foods, Inc. (Region IV-A), and J. Peyra Poultry Farm (Region V).

Another activity was the Launching of the 2013 Productivity Olympics which officially opened the competition and nomination of MSMEs with the best productivity improvement programs. The competition is a biennial event which seeks to intensify awareness on productivity and quality by showcasing and awarding MSMEs with best productivity improvement practices.

Finally, a Mini-trade Exhibit was also held where the products and services of Productivity Olympics winners, beneficiaries of NWPC’s productivity training programs and other participating MSMEs were exhibited and sold.

A Closer Look at the Regions

Region II: PUB Operators Enjoined Compliance with D.O. 118-12

RTWPB II conducted an orientation on the salient features of Department Order No. 118-12 on July 4 at Casa Angela Hotel in Tuguegarao City, in a bid to help bus companies adhere with the new part-fixed part-performance pay scheme. Some 22 operators attended the orientation.

Board Secretary Loreta Aquino discussed the Department Order and the labor standards compliance requirements of the Land Transportation Franchising and Regulatory Board (LTFRB) and Land Transportation Office (LTO) under the said D.O. such as the submission of Labor Standard Compliance Certificate (LSCC) for the issuance and renewal of franchise.



Above left: RTWPB II Board Secretary Loreta R. Aquino discussing the salient features of the D.O. 118-12. Above right: A participant from the bus industry clarify issues on computing the part-fixed part performance-based compensation scheme.

RTWPB IV-A: Pioneering the Implementation of the 2TWS

RTWPB-CALABARZON was the first Regional Board to fully implement the Two-Tiered Wage System (2TWS) under Wage Order No. IVA-15 which took effect on May 15, 2012.

The said Wage Order entitled “Prescribing the Minimum Wage and Setting the Productivity Based Pay (PBP) with Conditional Productivity Allowance in the Interim for Private Establishments in Region IVA-CALABARZON” set the regional floor wage at P255.00 and granted a P12.50 Conditional Temporary Productivity Allowance (CTPA) to workers receiving above the floor wage. This meant a wage increase ranging from P2.00-90.00 over the next 2-5 years.

For the second tier, the RTWPB issued Guidelines on the adoption of productivity improvement program and on the range of productivity-based pay. A number of wage orientations, technical briefings, and one-on-one consultations on the Guidelines were conducted throughout the region. The provincial field offices and labor compliance officers were also oriented on the major provisions of the WO.

Meanwhile, a rapid survey covering 625 private establishments was conducted to determine the region's preparedness for the implementation of the productivity-based pay. The results revealed that 85% already have productivity-improvement programs, 76% provides productivity-based incentives and benefits while 92% gives other company-initiated perks which are usually based on the employee's performance. Companies also conduct productivity improvement programs such as 5S, cost savings and health, safety and working conditions improvement.

The RTWPB awarded a Certificate of Compliance (CoC) to companies that have fully implemented the second tier, based on the following criteria: 1) with installed PIPs, 2) the formulated productivity-based pay contains criteria and metrics and sets an initial amount, and 3) with a Productivity Improvement and Incentives Committee (PIIC) or equivalent structure in place. In October, the DOLE Secretary herself handed the CoCs to 78 companies, during the 5th Annual Convention of the Regional Tripartite Industrial Peace Council IV-A (RTIPC IV-A) held in Batangas City Convention Center. Earlier, Dir. Alex V. Avila also awarded CoCs to 16 companies.

Region VII: Regional Productivity Forum Highlights 2TWS

RTWPB VII, in coordination with the Philippine Quality and Productivity Movement in Visayas, conducted the Regional Productivity Forum themed "Harmonizing Government Policies with Company Initiatives and Worker's Benefits for Productivity Enhancement" on December 11 at Quest Hotel, Cebu City.

One major highlight of the forum was the discussion on the Two-Tiered Wage System. No less than NWPC Exec. Dir. Ciriaco A. Lagunzad III presented the rationale and features of the new wage system. Participants appreciated the government's initiatives in continuously assessing and improving the implementation of wage policies.

Other topics discussed include: Business Permits and Licensing System: The Mandaue City Experience, De Minimis Benefits of the Bureau of Internal Revenue, and the region's latest Wage Order (WO No. RBVII-17).

The forum is an annual gathering of productivity advocates and showcasing of best productivity improvement practices in the region. This year, around 70 participants from companies in the service and manufacturing sectors, academe and government offices attended the forum.

Region X: Green Productivity Gets P32T Additional Funding Support

The Provincial Office of Misamis Oriental was awarded P32,850.00 in funds realizing the importance of Green Productivity Training as an effective tool in transforming enterprises into stewards of environment.

This was announced during the meeting-orientation on December 12 with the provincial office led by Governor Oscar S. Moreno. The governor expressed zeal on the GP training which he says support his advocacies for environment protection and conservation and productivity improvement.

The said amount will be used for the conduct of GP training next year, with participants coming from province's MSMEs, PESOs/LGUs and informal sector.

RTWPB X Goes to Thailand for a Benchmark Visit

For the second time, RTWPB X was selected by the Mindanao Association for Quality (MAQ) as one of the participants in a study visit to Thailand to benchmark best productivity improvement programs.

MAQ selected the Board for its contribution in promoting and championing quality and productivity in the region by helping workers and enterprises improve their productivity and business performance. MAQ is a non-stock and non-profit organization which espouses continuous improvement or Total Quality Management in the country.

The benchmark visit aims to promote basic developmental concepts and applications of quality and productivity improvement through educational programs, training, competitions and exchange visits. It also provides opportunities to improve work attitudes and influence others on the principles of quality, productivity and people development.

The NWPC Members of the Commission



Rosalinda Dimapilis-Baldoz
Chairperson
Secretary, DOLE



Lourdes M. Trasmonte
Chairperson-Designate
Undersecretary, DOLE



Arsenio M. Balisacan
Vice-Chairperson
Director General, National Economic
and Development Authority



Francisco R. Floro
Management Representative
Employers' Confederation
of the Philippines



Cedric R. Bagtas
Labor Representative
Trade Union Congress
of the Philippines



Eduardo T. Rondain
Management Representative
Employers Confederation
of the Philippines



David L. Diwa
Labor Representative
Lakas Manggagawa Labor
Center



Ciriaco A. Lagunzad III
Executive Director IV
National Wages and Productivity Commission

The NWPC Directors



Esther F. Guirao
Deputy Executive Director



Ciriaco A. Lagunzad III
Executive Director



Patricia P. Hornilla
Deputy Executive Director



Jeanette T. Damo
Director II
Information and Technical
Services Department



Ahmma Charisma L. Satumba
Director II
Research and Policy
Development Department



Elvira P. Jota
Director II
Management Services
Department

The NWPC Division Chiefs



Kim S. Lagcao
Chief
Productivity Research and
Policy Development Division



Atty. Welma T. Sicangco
Chief
Legal Division



Romeo E. Opis
Chief
Information and Publication
Division



Sylvia P. Piano
Chief
Training and Consulting
Division



Atty. Jamie J. Garcia
OIC-Chief
Wage Research and Policy
Development Division



Marc Alexis M. Arabe
Chief
Administrative Division



Victoria P. Macapagal
Chief
Financial Management
Division



Alicia S. Resurreccion
Chief
Planning and Management
Information Services Division

The RTWPB Board Secretaries



Augusto L. Aquillo
RTWPB-CAR



Aida T. Andres
RTWPB-NCR



Exequiel Ronie A. Guzman
RTWPB-I



Loreta R. Aquino
RTWPB-II



Elizabeth M. Teves
RTWPB-III



Rovelinda A. Dela Rosa
RTWPB-IV-A



Miriam E. Miravite
RTWPB-IV-B



Aurora A. Prades
RTWPB-V



Nesa S. Nolido
RTWPB-VI



Grace G. Carreon
RTWPB-VII



Florencio G. Aguilos, Jr.
RTWPB-VIII



Joel M. Ijirani
RTWPB-IX



Estrella U. Pahalla
RTWPB-X



Ruby A. Badilles
RTWPB-XI



Jessie M. Dela Cruz
RTWPB-XII



Earl D. Dela Victoria
RTWPB-XIII



Lilian Ruth C. Cabanban
RTWPB-ARMM

The NWPC Divisions

The Legal Division headed by Atty. Welma T. Sicangco determines if the Wage Order and Implementing Rules issued by the RTWPBs are in accordance with the law and NWPC guidelines.



The Training and Consulting Division headed by Ms. Sylvia P. Piano designs and develops productivity training programs.



The Productivity Research and Policy Development Division headed by Mr. Kim S. Lagcao provides timely and relevant research and formulates policies on productivity.



The Wage Research and Policy Development Division headed by Ms. Aurora F. Daag provides timely and relevant wage studies and formulates wages and wage related policies.



The Information and Publication Division headed by Mr. Romeo E. Opis ensures that required information services on wages and productivity and related information are provided to the clients.

The Planning Management Information Services Division headed by Ms. Alicia S. Resurreccion ensures that targets, plans/ programs/projects of NWPC and RTWPBs are carefully laid out, implemented and monitored in accordance with the NWPC Approved Budget, DOLE directives and pursuant to its mandate under the law.



The Administrative Division headed by Mr. Marc Alexis Arabe ensures the delivery of administrative services on personnel, cashing, records, supplies, and general services.



The Financial Management Division headed by Ms. Vicky P. Macapagal ensures that financial resource requirements are available for obligation and disbursement.



The support staff for the Office of the Directors assists the NWPC officials in the recording and transmittal of documents and ensures the smooth operation of the management offices.



The outsourced janitors and security guards provide maintenance and security.

The RTWPB Board Members and Secretariat



RTWPB-CAR



RTWPB-NCR



RTWPB-I



RTWPB-II



RTWPB-III



RTWPB-IV-A



RTWPB-IV-B



RTWPB-V



RTWPB-VI



RTWPB-VII



RTWPB-VIII



RTWPB-IX



RTWPB-X



RTWPB-XI



RTWPB-XII



RTWPB-Caraga

Mission

To be the primary development and resource center on wages, incomes and productivity

Vision

To ensure a decent standard of living for the minimum wage earners and their families, and to contribute to the competitiveness of enterprises through improved productivity of the workforce

Mandate

The NWPC, as key policymaking body on wages, incomes, and productivity, is mandated to:

-  Fix minimum wages at the regional, provincial, and industry levels under RA 6727, otherwise known as the Wage Rationalization Act;
-  Promote productivity improvement and gainsharing, and;
-  Provide the necessary technical assistance to enable workers and employers to develop and implement productivity improvement programs, under Republic Act 6971 or the “Productivity Incentives Act of 1990”

The NWPC is tasked to develop general policies and guidelines on wages, incomes, and productivity and exercise technical and administrative supervision over the Regional Tripartite Wages and Productivity Boards (RTWPBs)

The RTWPBs, on the other hand, are tasked to implement wages, incomes, and productivity policies and programs in their respective regions.



Department of Labor and Employment
National Wages and Productivity Commission
2nd and 3rd Floors, G-1 International Building
No. 2061 General Malvar corner San Marcelina Streets
Malabo, Manila City
Tel. No.: 000 527-8812 to 17
Fax No.: 000 527-5389 / 5533
Website: <http://www.nwpc.dole.gov.ph>