

2013 ANNUAL REPORT



National Wages & Productivity Commission





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Department of Labor and Employment
National Wages and Productivity Commission
2nd and 3rd Floors Dy International Building
No. 1011 General Malvar corner San Marcelino Streets
Malate, Manila City
Tel. Nos.: (02) 527-8011 to 17
Fax Nos.: (02) 527-5139 / 5522 / 8014
Website: <http://www.nwpc.dole.gov.ph>
Facebook: www.facebook.com/pages/National-Wages-and-Productivity-Commission/151702664870294
Twitter: https://twitter.com/DOLE_NWPC

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PREFACE

The 2013 Annual Report of the National Wages and Productivity Commission (NWPC) and its Regional Tripartite Wages and Productivity Boards (RTWPBs) highlights interventions that contributed to the attainment of a highly productive, competitive, and well-compensated Filipino workforce. Beyond regulation and wage setting, NWPC's efforts centered on encouraging Micro, Small, and Medium Enterprises (MSMEs) to take the high road of productivity in a period of exciting economic prospects and greater opportunities.

A major strategy was to build the capacities of DOLE's and NWPC's/RTWPBs' officers, program managers and productivity specialists as well as selected private sector enterprises through a pioneering training collaboration with Singapore's Nanyang Polytechnic International and Temasek Foundation to develop productivity professionals in the country. The biennial Productivity Olympics was also held which recognized and awarded successful productivity improvement and gainsharing practices of MSMEs.

In the area of policy reform, an assessment of the initial implementation of the Two-Tiered Wage System and its application to the bus industry and to domestic workers contributed to the discourse on influence policy-making and program implementation. The review of Republic Act 6971 or the Productivity Incentives Act and

representations to Congress and various tripartite fora drew attention to the importance of labor management cooperation and to the range of options open to them to boost their productivity and competitiveness.

For 2014, the NWPC/RTWPBs will assist more business enterprises, as they produce higher value outputs required by more discriminating customers. New and innovative approaches will be adopted in investing on our human resources since productivity improvement programs will not succeed unless it is firmly grounded on skills enhancement and development of our workers.

This publication represents our milestones and unwavering desires to promote decent and productive employment for all. Let us continuously work together to inspire our social partners, workers, and enterprises to support our programs and advocacies on wages, income, and productivity.

Many thanks and Mabuhay!

National Wages and Productivity Commission

MESSAGE

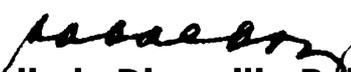


The year 2013 was another remarkable year for the National Wages and Productivity Commission. Once again, NWPC honored and awarded outstanding quality and productivity practices of entrepreneurs and workers of micro, small, and medium enterprises. The NWPC, in 2013, also strengthened the implementation of the two-tiered wage policy and provided valuable inputs to the Regional Tripartite Wages and Productivity Boards in the crafting of Wage Orders and Wage Advisories towards a tighter link between pay and productivity.

I am pleased that NWPC has been at the forefront of the discourse on wages, income and productivity and has found its place relative to the competitiveness and productivity strategy of the Philippines. Its unique role is evident in the package of interventions that it provides. Recognizing that enterprises will not succeed unless it invests on skills enhancement and development of workers, NWPC's productivity improvement programs are directed at the best, and perhaps most important, asset of the enterprises – the workers.

I commend the officials and staff of the NWPC and the RTWPBs for relentlessly pursuing its mandate to protect poor and vulnerable workers and encourage and enable enterprises to improve productivity and share in the gains realized. I am convinced that, in the coming years, NWPC will continue to play a pivotal role in the country's journey towards productivity and competitiveness.

Mabuhay kayong lahat!


Rosalinda Dimapilis-Baldoz

Secretary, Department of Labor and Employment

MESSAGE

Despite the challenges that beset the Philippine economy in 2013, the NWPC, as a result of collaborative efforts with social partners, continue to deliver services and programs for Filipino workers and micro, small and medium enterprises (MSMEs). The NWPC endeavored to upgrade existing productivity training modules to better serve the needs of MSMEs and respond to rapidly changing industry requirements while it implements a comprehensive capacity building program directed at transforming DOLE and NWPC frontline officers and staff engaged in enforcement, enterprise development, livelihood organizing, dispute settlement and productivity improvement into agents of development thereby assisting MSMEs towards becoming viable and competitive enterprises.



For 2014, I am positive that NWPC will continue to step up the provision of capacity-building for MSMEs on productivity improvement. I also look forward to the full implementation of the wage reform and the continuing assessment of the impact of these reforms on workers and business enterprises.

Congratulations to the men and women of NWPC and the RTWPBs. Keep up the good work and continue to provide unparalleled service and information relating to wages, incomes and productivity.

Mabuhay kayong lahat!


Ciriaco A. Lagunzad III

*Undersecretary, Workers' Welfare and Social Protection Cluster
and NWPC Chairperson-Designate*

2013 BANNER PROGRAMS

Review and Determination of Minimum Wage

Full implementation of the Two-Tiered Wage System

In 2013, the National Wages and Productivity Commission and its 17 Regional Tripartite Wages and Productivity Boards (RTWPBs) moved into full swing to implement the Two-Tiered Wage System (TTWS), with the commitment to provide more effective protection to poor and vulnerable workers and to encourage wage bargaining in line with productivity growth. This meant regular and predictable minimum wage (Tier 1) reviews and the issuance of advisories on productivity incentive pay schemes (Tier 2).

Wage Issuances in 2013

Ten (10) Wage Orders (WOs) were issued in 2013. As a result of a decision to adjust minimum wages, the Regional Boards of NCR, CAR, I, II, V, VI, IX, X, XIII, and ARMM issued Wage Orders granting wage increases in the form of basic pay and/or Cost of Living Allowance (COLA). Alongside this, seven RTWPBs also issued the Implementing Rules and Regulations (IRRs) of their Wage Orders (NCR, II, V, VI, IX, X, and Caraga).

In NCR, the Wage Order, which became effective last October 4, granted a P10.00 basic pay increase and a P15.00 COLA integration by January 1, 2014. With this issuance, the minimum wage in NCR stood at P466. In areas outside NCR, the wage increase, either in the form of a basic pay or COLA, ranged from P1.00 to P20.00, bringing the minimum wage rates in non-agriculture to P205.00 to P349.50 and in agriculture to P215.00 to P324.50.

The rest of the Regional Boards (III, IVB, VIII, XI and XII) whose Wage Orders have passed their anniversary dates, are reviewing the socioeconomic conditions and conducting consultations as bases for a decision to adjust minimum wages. Meanwhile, RTWPB-IVA has submitted its Wage Order to the Commission for its review.

During the year, the RTWPBs conducted a total of sixty-seven (67) public hearings and consultations nationwide, participated in labor and employers groups, government offices, private individuals, and media.

As of 2013, the range of minimum wage rates in both agriculture and non-agriculture sectors are as follows:

TABLE 1 – Daily Minimum Wage Rates by Region, Philippines: 2013

Wage Order	Amount and Form of Minimum Wage Increase	Date of Issuance	Date of Effectivity	Range of Daily Minimum Wage Rate	
				Non-Agriculture	Agriculture
NCR-18	<ul style="list-style-type: none"> • P10 basic pay • P15 COLA integration 	06 September 2013	04 October 2013	P466	P429
RB-CAR-16	<ul style="list-style-type: none"> • P1, 6 and 8 basic pay • P2,6,12 and 17 COLA integration 	20 December 2013	03 February 2014	P261-280	P247-268
RBI-16	<ul style="list-style-type: none"> • P8 - 20 basic pay 	17 December 2013	05 February 2014	P213-253	P213-233
RBII-16	<ul style="list-style-type: none"> • P9-17 basic pay 	29 November 2013	05 January 2014	P247-255	P235-P243
RBIV-B-06	<ul style="list-style-type: none"> • P1-66 basic pay • P5 COLA 	25 October 2012	01 February 2013	P205-P275	P215-225
RBV-16	<ul style="list-style-type: none"> • P8 basic pay 	05 December 2013	10 January 2014	P236-260	P236
RBVI-21	<ul style="list-style-type: none"> • P10 basic pay 	30 October 2013	29 November 2013	P245-287	P245-255
RBIX-I8	<ul style="list-style-type: none"> • P13 basic pay 	06 May 2013	10 June 2013	P280	P235-255
RBX-17	<ul style="list-style-type: none"> • P10 basic pay • P10 COLA 	15 May 2013	20 June 2013	P291-306	P279-294
RBXIII-12	<ul style="list-style-type: none"> • P10 basic pay • P2 COLA integration 	13 March 2013	21 May 2013	P268	P238-258
RB ARMM-15	<ul style="list-style-type: none"> • P18 basic pay 	18 December 2013	01 February 2014	P250	P250

Source of data: RTWPBs, Wage Orders

Application for exemption

A total of forty-seven (47) applications for exemption from Wage Orders were received by the RTWPBs in 2013. Of this number, twenty-one (21) were approved, seventeen (17) dismissed, and seven (7) denied. The remaining two were deferred due to incomplete documents.

RTWPB-X received the most number of applications totaling twenty-seven (27). It was followed by RTWPB-NCR with sixteen (16), and RTWPB-Caraga with four (4) applications.

To note, the current Wage Orders in CAR, II and VI do not contain exemption provisions.

Issuance of Advisories on Productivity Based Incentives

Apart from mandatory minimum wage setting, the Boards are also tasked to issue advisories on the grant of productivity based pay incentives under the two-tiered wage system. For 2013, two Regional Boards issued industry-specific advisories. RTWPB III issued an advisory covering establishments in ecozones while RTWPB CAR issued an advisory covering the manufacturing, hotels and restaurants and trade industries.

The rest of the Boards including NCR, IVA, IVB, V, X, XI and XII submitted their draft advisories for review of the Commission, prior to issuance. Meanwhile, the remaining Boards have been conducting industry consultations as inputs to the formulation of their advisories. Under the DOLE Planning Tool, the Boards are required to issue at least one (1) industry advisory until 2016.

Area-based consultations

The NWPC conducted three (3) area based consultations on wage and productivity policies and programs as part of its mandate to call national policy conferences. For 2013, the area based consultations focused on the policy and operational issues in the implementation of the TTWS including possible amendments in the current Rules of Procedure on Minimum Wage Fixing and Rules on Exemption.

In the area of productivity, the Boards were re-oriented on the criteria and mechanics of the



Secretary Baldoz giving the rationale of implementing TTWS.

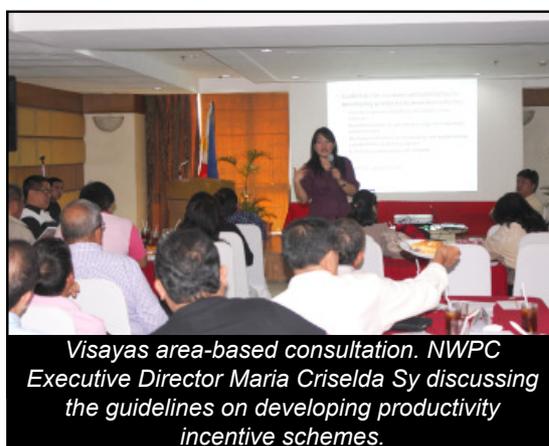


DOLE Usec. and NWPC Chairperson-Designate Ciriaco A. Lagunzad III explaining how the TTWS should work during the Luzon area-based consultation.

2013 Productivity Olympics and provided updates on activities preparatory to the national screening and selection of winners. The Boards were also provided a briefing on the new productivity programs and strategies which should be cascaded to the Boards such as the NWPC and NCMB convergence program which integrates training modules on workplace cooperation (creation of LMCs) and productivity improvement (ISTIV modules); and the sectoral-approach to promoting productivity, which requires

the DOLE-ROs, in partnership with the local key stakeholders, to identify priority sectors, or industries, which will be the target of productivity improvement programs in the region. The latter serves as implementation strategy to promote the 2nd tier of the TTWS.

As a result of the consultations, the Boards adjusted their timelines to implement the 2nd tier of the TTWS, indicating the target industry as subject of their advisory and the number of MSMEs to be provided technical assistance to implement the advisory.



Visayas area-based consultation. NWPC Executive Director Maria Criselda Sy discussing the guidelines on developing productivity incentive schemes.



Mindanao area-based consultation. NWPC Deputy Exec. Dir. Patricia Hornilla presenting the features of the Two-Tiered Wage System.

TABLE 2 – Wage Advisories issued by the RTWPBs

Region	Date of Issuance	Industries Covered
CAR	29 January 2013	Manufacturing, hotels and restaurants, and wholesale/retail trade
III	02 December 2013	Establishments in ecozone
XI	18 November 2013	Banana (Cavendish) Plantation
XII	05 August 2013	Plantation (banana, pineapple, abaca, oil palm)

Source of data: Wage Policy and Research Division.

The rest of the RTWPBs have submitted their draft advisories for the review of the NWPC.

Facility Evaluation and Work Improvement Measurements

The guidelines on the conduct of Facility Evaluation (FE) and Time and Motion Studies (TMS) took effect on April 01, 2013.

Department Order (D.O.) No. 125-13 and D.O. No. 126-13 describe the procedural and documentary requirements in the conduct of FE and TMS, respectively. Upon receipt of application for the conduct of FE or TMS, the RTWPBs have 30 days to conduct an evaluation and study of the firm's facility provision or processing standards before submitting its findings to the RTWPB Board Chairman for review and approval.

During the year, the RTWPBs received and processed a total of two hundred fourteen (214) requests for the conduct of Facility Evaluation (FE) and 64 requests for TMS. Of these numbers, a total of 187 FE Orders and 53 piece rate/production standard orders were issued within the year. The Boards are currently acting upon the remaining requests.



Representatives from RTWPB-NCR conducting FE at board and lodging facilities of a chain of food stalls.



Representatives from RTWPB-NCR conducting TMS at a garments company.

Department Order 118-12

Issued on 27 February 2012, the Department Order 118-12 otherwise known as “Rules and Regulations Governing the Employment and Working Conditions of Drivers and Conductors in the Public Utility Bus Transport Industry” mandates, among others, a fixed and performance based compensation scheme for the drivers and conductors in the public bus transport industry. The DOLE-Regional Offices issued Labor Standards Compliance Certificates (LSCCs) to PUB companies compliant with the DO.

As of December 2013, the Regional Offices have issued a total of 541 LSCCs for 1,581 Certificates of Public Convenience (CPCs), nationwide. This entitled some 21,000 bus drivers and conductors to a part-fixed, part-performance based pay scheme.

This scheme allows drivers and conductors to receive a guaranteed fixed pay which is not lower than the applicable minimum wage plus wage-related benefits such as 13th month pay, holiday pay, and service incentive leave. In addition to the fixed pay, drivers and conductors may also receive a performance incentive pay based on business performance such as percent of revenue/ridership above quota and safety performance such as zero traffic violation and road accident.

The LSCC is a requirement to the grant or renewal of a franchise under Land Transportation Franchising & Regulatory Board’s (LTFRB) Memorandum Circular No. 2012-001.



2013 Productivity Olympics



National Screening Committee, assisted by NWPC officers, is seriously evaluating the 44 regional entries to decide who would step up to join the roster of national finalists and have the chance to be named 2013 PO champion.

The Productivity Olympics is one of the productivity promotion programs of NWPC and its RTWPBs. It is a biennial national competition of the best productivity improvement programs of micro, small, and medium enterprises (MSMEs). It focuses on the impact of productivity improvement programs on business performance and resource management.

For 2013, forty eight (48) MSMEs nationwide were declared regional winners by the Regional Screening Committee (RSC). After pre-screening the regional nominees, forty four (44) qualified MSMEs underwent further screening by five (5) National Selection Committees last 24 August 2013 at the Ichikawa Hall, Occupational Safety and Health Center (OSHC) in Quezon City. The NSCs are composed of representatives from the labor organizations, employer groups, government and an industry expert.

From the 44 qualified MSMEs, the NSCs selected and endorsed twenty-one (21) MSMEs as national finalists to the National Judging Panels (NJP). During the final screening, the NJPs selected the ten (10) national winners at the Bayview Hotel, Manila last 09 October 2013. In 2013, two (2) NJPs were created; one for the agribusiness and industry sectors and another for the services sector. Secretary Rosalinda Dimapilis-Baldoz was the overall Chairperson of the two panels, and vice-chaired by two (2) DOLE Undersecretaries namely Usec. Ciriaco A. Lagunzad III for Labor Standards and Social Protection, and Usec. Rebecca C. Chato for Labor Relations and Social Dialogue.

The NJPs are also tripartite in composition with a quality and productivity expert as part of the panel. The members of the NJP were: Mr. Anton Ll. Sayo, Chairperson of the Employer’s Confederation of the Philippines; Ms. Florencia P. Cabatingan, Executive Board Member of the International Trade Union Confederation- Trade Union Congress of the Philippines (TUCP-



The National Judging Panel deliberation started with an orientation (above pictures) before going through the rigorous presentation, evaluation and judging.

ITUC); Mr. Angelito M. Sarmiento, President of Philippine Quality Award; Dr. Agnes T. Banzon, Associate Professor in University of the Philippines-Los Baños; Mr. Gerard R. Seno, General Secretary for Associated Labor Unions – TUCP; and Dr. Manuel E. Villegas, Jr., the Head of the Corporate Planning Office of the Manila Doctors Hospital’s Quality Management Office.

The 2013 Productivity Olympics national winners awarded last 24 October 2013 at the Century Park Hotel in Malate, Manila were:



(Above) The winners of the 2013 Productivity Olympics posing with NWPC officials, DOLE Secretary Baldoz and Congressman Nograles. (L-R) DOLE Sec. Baldoz and Congressman Nograles delivering their messages for the winners.



Agribusiness Sector: Honey Bee Producers Multi-Purpose Cooperative (CALABARZON)-microenterprise category; San Rafael Agrarian Reform Beneficiaries Multi-Purpose Cooperative (Western Visayas) – small enterprise category; and Elim Agricultural Supply-Poultry Dressing Plant (Northern Mindanao) – medium enterprise category.

Industry Sector: Daet Food Producers Association (Bicol Peninsula) - microenterprise category; Goldwin Manufacturing Laboratories Corporation and Sunlight Foods Corporation (both in NCR) - small enterprise category; and Marcia's Delicacies (Ilocos Region) - medium enterprise category.

Service Sector: Big Norman's Garden Supplies and Services (Bicol Peninsula) - microenterprises category; Almora General Hospital (CAR) - small enterprise category; and Davao Adventist Hospital (Davao Region) - medium enterprise category.

DOLE Secretary Rosalinda Dimapilis-Baldoz and Honorable Karlos Alexei Nograles, Philippine Congress' Chairman of Labor and Employment Committee were the Keynote Speaker and Guest of Honor, respectively. In her keynote speech, Secretary Baldoz took pride in acknowledging these winning entries as business models for harmonious convergence of employment generation, labor productivity and enterprise competitiveness. She expressed hope that other MSMEs will draw inspiration from the success stories and start their productivity journey.

The event also launched the "Let's Talk Productivity" project which features productivity improvement projects of the managers

DOLE and NWPC officials with Congressman Nograles during the awarding ceremony of the 2013 Productivity Olympics



specialists who attended the training in Singapore entitled Developing Productivity Professionals in the Philippines.

The third part of the event was a talk entitled "ASEAN Economic Community: Implications on Philippine Industries and Filipino Workers" by Dr. Gilberto M. Llanto, President of Philippine Institute for Development Studies (PIDS). Dr. Llanto explained the meaning and implications on the labor market of a single market ASEAN community.



Dr. Gilberto M. Llanto discussing the ASEAN integration's effect on the Philippine labor market.

The activity was attended by 283 participants from labor and employer groups, academe, productivity specialists, government offices, and MSMEs.



Productivity Talks featuring (left) Three Dimensional Packaging Corp. owner Ms. Jaie Flores Ador and Ati-Atihan Festival Hostel and Conference Center manager Ms. Josefina Dela Cruz.

(Below) Ribbon-cutting ceremony to formally open the mini-trade exhibit simultaneously held during the awarding ceremony. The exhibit featured the products and services of the past P.O. winners. (Left) Guests visiting and buying the products displayed in the exhibit.



DOLE-NWPC-NYPi-TF Training Collaboration (Phase 1 & 2)

Year 2013 also marked the beginning of partnership between the Department of Labor and Employment, NWPC and Singapore's Temasek Foundation (TF) and Nanyang Polytechnic International (NYPi) in developing the Philippine Productivity Professionals. The series of multi-level and multi-sectoral training started in April 2013 and will end on March 2014.

A total of 120 participants – 90 from DOLE and 30 from the private sector will serve as change agents who can assist MSMEs grow and become productive and eventually contribute to Philippine competitiveness.



They are divided in three groups: the first batch was composed of DOLE senior officials and CEOs; the second was composed of productivity program managers both from DOLE and the private sector; and the third batch was composed of DOLE-NWPC productivity specialists and supervisors from the private sector.

The first group attended the one-week orientation last April 1-5. The second and third batches composed of 15 program managers per batch, underwent more detailed two-week training on April 15-16 and May 6-17, 2013. Finally, two (2) batches of program specialists participated in a five-



intensive training course on manufacturing, hospitality, and retail/service sectors held on September 9 to October 11. The last of this batch will leave for Singapore on February 2014.

The training covered productivity concepts, measurement and metrics, problem identification and problem solving techniques, productivity improvement tools and systems, value chain productivity management, change management, and productivity gainsharing schemes. Study visits also allowed the participants to experience first-hand the practical applications of the theories and concepts learned.

Before the year ended, the NWPC submitted a proposal to TF and NYPi for a second training engagement, which will commence in March 2014 focusing on innovation and enterprise development.



DOLE convergence programs on productivity

Capacity-building program for Labor Laws Compliance Officer (LLCO)

In 2013, NWPC participated in the training for Labor Laws Compliance Officers (LLCOs) by conducting a series of trainings on basic productivity concepts, principles and measurements. This capacity building program is in support of Department Order No. 131-13, which basically aims to monitor companies' compliance with labor laws through the conduct of joint assessment, compliance visit, and occupational safety and health standards investigation by the LLCOs. Department Order 131-13 embodies the shift towards developmental approach in assisting enterprises towards becoming labor law compliant. Productivity trainings were conducted on June 21 & 28, July 5 & 19, September 24, and October 2 & 4.



NWPC-NCMB convergence training program on productivity improvement and Labor Management Cooperation

Labor Secretary Rosalinda Dimapilis-Baldoz instructed NWPC and the National Conciliation and Mediation Board (NCMB) to converge labor management cooperation schemes and productivity improvement programs as these are related programs geared towards the common goal of tightening the link between the promotion of LMC and capacity building on productivity. Said convergence is one strategy to further strengthen DOLE's capacity to assist firms towards productivity.

In compliance to this, NWPC coordinated with concerned DOLE agencies on the redesigned module earlier this year. The redesigned module incorporating LMC was developed and completed on the 2nd quarter of the year. The commission likewise embarked on a trainers' training aimed at honing the skills and knowledge of the participants.

As further reinforcement to the program, NWPC drafted and issued Memo Order 55 Series of 2013 on the Deployment of Convergence Program and prepared and submitted Project Framework on Strengthening Workplace Relations and Productivity Improvement to NCMB for comments.



Green Our DOLE Program (GODP)

Green Our DOLE Program seeks to heighten awareness and readiness of the Department to engage in green issues and mitigation solutions on climate change for better delivery of programs and services to its stakeholders and customers.



In line with this program, the NWPC started with a film-showing for its employees on the movie "The Impossible", which was based on the 2004 Indian Ocean tsunami.



The NWPC also organized a Tree Planting Activity cum Team Building Exercise last July 4-5, 2013 in San Mateo, Rizal. A total of 53 NWPC personnel participated and planted bignay trees with the assistance of PENRO – Rizal.



Aside from these activities, the NWPC also regularly implements the Waste Management System and 5S of Good Housekeeping to promote cleanliness and orderliness within its premises.



Commission at Work

2013 proved to be another busy year for the Commission (NWPC) proper. It reviewed and affirmed 10 Wage Orders and three (3) productivity-based pay advisories implementing the 2nd tier of the TTWS. They also ruled on five (5) appeals on wage orders and exemptions.

The Commissioners joined the Area-Based Consultations held in August in the cities of Tagaytay, Davao and Cebu participated by RTWPBs. The consultations aimed to re-orient the Boards on the TTWS and secure commitments relative to the issuance of advisories on productivity-based pay schemes and conduct of the capacity building programs for MSMEs in priority or growth industries identified in the advisories. Relative to the implementation of the TTWS, the operational issues and the necessary amendments to the Rules of Procedure on Minimum Wage Fixing and Rules on Exemption were discussed. In the area of productivity, the Boards were apprised on the ongoing activities at the Central Office preparatory to the national screening and selection of winners for the 2013 Productivity Olympics. The Boards were also given a briefing on the convergence of the training programs of NWPC and NCMB entitled "Workplace Cooperation Mechanisms for Productivity Improvement."

The Commissioners also provided policy direction and framework for crafting the guidelines on minimum wage setting for domestic workers. The Commission reiterated the need to apply the principle of balancing needs of workers with employers' capacity to pay in identifying indicators for minimum wage determination as well as in securing the comments/inputs of the RTWPBs in the draft guidelines.

The Commissioners also participated in the national screening of regional winners for the 2013 Productivity Olympics.

They selected and endorsed twenty one (21) national finalists to the National Judging Panel.

To strengthen the exercise of its functions related to the promotion of productivity, the Commission directed the creation of a Productivity Committee, composed of members of the Commission. The Committee shall review NWPC's productivity policies and formulate strategies towards more effective implementation of productivity programs.



The NWPC Commissioners, chaired by Usec. Ciriaco A. Lagunzad III, discussing pertinent issues on wages, incomes and productivity.

One of the Commissioners, Mr. David L. Diwa (labor sector) also joined the one-week Productivity Manager's Training Program in Singapore. This is part of the Memorandum of Agreement with Temasek Foundation and Nanyang Polytechnic to develop Filipino productivity specialists.

Looking ahead, the Commission has directed the conduct of researches such as the study on the minimum wage of workers in the sugar industry and assessment of the implementation of wage orders and advisories, among others. This is to ensure the continuing relevance of wage and productivity policies and programs with the new and emerging requirements of the labor market.

Regional Boards in action

Region	Industry	Consultations conducted
NCR	Tourism	<ul style="list-style-type: none"> • October 25 (NWPC provided technical assistance in Manila, Makati, Parañaque, and Las Piñas) • October 26 (Quezon City, Caloocan, Malabon, Navotas, and Valenzuela) • October 29 (Conduct Learning Session on Tourism Industry Supply Chain) • November 12 (NWPC provided technical assistance)
II	Manufacturing	<ul style="list-style-type: none"> • July 10 (Employers' Sector) • July 11 (Employers' Sector)
III	Establishment in ecozone	<ul style="list-style-type: none"> • June to September
IV-A	Agribusiness, industry, and services	<ul style="list-style-type: none"> • August 15 (Labor group) • August 18-23 (Employers' Sector) • Provincial Consultations <ol style="list-style-type: none"> 1. September 12 (Quezon) 2. September 19 (Laguna) 3. September 23 (Cavite) 4. October 8 (Batangas) 5. October 24 (Rizal)
IV-B	Tourism (accommodation and food services)	<ul style="list-style-type: none"> • September 19 (Calapan, Oriental Mindoro) • October 11 (San Jose, Occidental Mindoro) • October 18 (Puerto Princesa, Palawan) • October 5 and 12 (Technical assistance was provided by NWPC)
V	Transport, storage, and communication	<ul style="list-style-type: none"> • November 27, 2013 (Naga City, Camarines Sur)
VI	Sugar industry (11 DTCs)	<ul style="list-style-type: none"> • September 30 (Bacolod City, Negros Occidental) • October 3 (NWPC provided technical assistance in Iloilo City, Iloilo)
X	Bus transport	<ul style="list-style-type: none"> • July 2013 (Oro Chamber) • September (Ozamiz City, Misamis Occidental) • September 10 (Bus transport industry)
XI	Banana (Cavendish) plantation	<ul style="list-style-type: none"> • September 30 (Banana industry) • October 4 (Other stakeholders)
XII	Plantation (banana, pineapple, abacca, oil palm)	<ul style="list-style-type: none"> • March 11 (Sultan Kudarat) • March 12 (General Santos City, Saranggani) • June 11 (ITC Academe) • June 19 (ITC Fishing and Allied Services, and Plantation)
XIII	Mining	<ul style="list-style-type: none"> • November 11 (Surigao City, Surigao del Norte)
ARMM	Agribusiness	<ul style="list-style-type: none"> • May 1 (NWPC provided technical assistance)

Table 3: Advisories on productivity-based schemes per region

RTWPB-V bags 2 awards in the 2013 Productivity Olympics

The Regional Tripartite Wages and Productivity Board (RTWPB) V celebrated the winning of two (2) regional finalists in the 2013 National Productivity Olympics, Daet Food Producers' Association (Industry – Micro-Enterprise Category) and Big Norman's Garden Supplies and Services (Service - Micro-Enterprises Category), both from Camarines Norte.



Daet Food Producers Association (DFPA) is a food manufacturer specializing in pili and pineapple treats. Its major economic activity is the processing of pili nuts and pineapple-based pastries and beverage. The food manufacturer from Bicol won for its productivity improvement programs (PIPs) involving the conduct of research on pili and pineapple products processing; capacity-building for workers on livelihood, food processing, product improvement and packaging, business planning; and the acquisition of equipment and packaging and labelling materials for pili and pinya-based products. These PIPs resulted to product diversification which added ensaymada, pili tart, pinya tart, pili yema, pineapple chunks and processed meats to DFPA's products; improved product quality including packaging and labelling; and increased production capacity.

Big Norman's Garden Supplies and Services (BNGSS) is a supplier of garden tools and a service provider involved in rendering garden maintenance services. Its major economic activities include landscaping and growing of herbs/ ornamental plants.

The productivity improvement programs of the micro-enterprise included the shift from manual to electric pump with pressurized tank; adoption of more effective grafting and germinating techniques; upgrading of “green house” through the use of G.I. pipes; and experimentation on high-value vegetables and herbal gardening. The PIPs resulted in increased production, increased plant varieties from fifty (50) to one hundred (100) varieties and compliance with labor standards.

Daet Food Producers’ Association and Big Norman’s Garden Supplies and Services were two of the 10 national winners of the 2013 Productivity Olympics awarded at the Century Park Hotel, Manila, on October 24, 2013.

Regional Tripartite Wages and Productivity Board-V has been consistently successful in nominating potential national winners since the Productivity Olympics started in 2008. Prior to DFPA and BNGSS, the Board has produced 5 national winners, Tropics Agro-Industries (Camarines Sur, 2008), Gubat St. Anthony Cooperative (Sorsogon, 2009), and the J. Peyra’s Poultry Farm (Camarines Sur, 2011).

Broad-ranging strategies adopted by RTWPB-VI

Simultaneous conduct of activities was one of the strategies adopted by RB6 to meet its targets for 2013.

On February 27-28, the RTWPB conducted two simultaneous activities in two provinces in the region: the SQ-P2P (Service Quality-Pier-to-Port) Seminar with the Malay Association of Sailboat Operators, Inc. (MASBOI) Multi-Purpose Cooperative in Malay, Aklan and the ISTIV-Bayanihan Productivity Enhancement Training at Brgy. Bariga, Palayanan, Banate, Iloilo. The former was conducted to promote “error-free service” in one of the stakeholders in the Tourism supply chain in Boracay, Aklan. The

a convergence program initiated by Director Ponciano M. Ligutom, DOLE Regional Director and Board Chairperson. The ISTIV-Bayanihan Productivity Enhancement Training, meanwhile, aims to improve the capability of fisherfolks, farmers, and members of the 4H Club in Banate, Iloilo.

The conduct of the 5S + 1 Training of MSMEs in coordination with Jaycees International (JCI, Roxas City) was conducted in Roxas City on June 26 and followed by a public consultation on the wage petition on June 27. While the consultation is ongoing in Roxas City, the Green Productivity Training was kicked-off in Boracay. On June 28, the second day of the GP Training, a Public Consultation on the wage petition for Boracay and the province of Aklan was also conducted.

Back-to-back activities were conducted on September 30. These were the Orientation on the Productivity-Based-Pay for the Sugar Industry relative to the implementation of the Two-Tiered Wage System (PBP-TTWS) and the Public Hearing on the Wage Petition. The PBP-TTWS was held in the morning while the Public hearing was held in the afternoon at the Sugar Workers Development Center, Bacolod City.

Other back-to-back activities were held on October 3 at the Grand Hotel in Iloilo City on October 3. These were the conduct of the Orientation on the PBP-TTWS for the following industry/sectors: sugar, tourism, retail/service, academe and the BPO and the organizational meeting for the setting up of the region's productivity network.

For 2013, more than 800 MSMEs became beneficiaries of programs and advocacies of the Regional Tripartite Wages and Productivity Board VI.

CONTINUING PROGRAMS

Policy and Research Development

The NWPC, as adviser to the President and Congress on matters relating to wages, income and productivity, regularly conduct studies as inputs to policy formulation and program review.

Review of Productivity Incentives Act (RA 6971)

As part of the DOLE's legislative agenda, the NWPC crafted amendments to RA 6971 or the Productivity Incentives Act, essentially liberalizing the implementation of plant-level productivity incentive programs.



Cong. Abaya with NWPC officers during briefing of amendatory bill.

This initiative was based on an earlier assessment by the NWPC in consultation with the social partners which recommended liberalizing the restrictive provisions of the law such as the estimation of the productivity baseline data, sharing scheme and the frequency of distribution of gains.

The amendatory bill maintains the provisions on the creation of a labor management committee, development of productivity incentives program, grant of fiscal incentives, and the role of concerned government agencies such as NWPC, NCMB, TESDA, and BIR.

Meanwhile, the bill proposes the following:

- Liberalization of provisions of productivity incentives program such as computation of benchmark productivity performance, sharing scheme, and coverage;
- Issuance of advisories by the RTWPBs to guide establishments in the design and implementation of productivity incentives program, in line with the two-tiered wage system;
- Inclusion of provision on Productivity Incentives Program (PIP);
- Deletion of penalty clause;
- Shortening the period for resolving issues/disputes arising from the implementation of the PIP; and
- Inclusion of other non-fiscal benefits provided by other different agencies.

This was presented and discussed in various fora like the Tripartite Industrial Peace Council (TIPC), Tripartite Labor Code Review Committee (TLCRC) and sectoral consultations labor and management groups, academe, and other government agencies. It was also presented to the Chairperson of the House Committee on Labor and Employment Hon. Karlos Alexei Nograles and Hon. Cong. Francis "Boy Blue" Abaya of the 1st district of Cavite who adopted and sponsored/authored the proposal as a bill.

The bill was presented to the Committee on Labor and Employment last December 2013 for initial deliberation.

Assessment of the initial implementation of the Two-Tiered Wage System

In 2012, RTWPBs started adopting the Two-Tiered Wage System (TTWS) as an approach to the setting of minimum wages. It defined the policy space for minimum wages as that which is slightly higher than the poverty threshold to ensure basic needs of workers but not to exceed average prevailing to allow bipartite approaches in the setting of better terms and conditions of work. It consists of a mandatory minimum wage to protect poor and vulnerable workers from undue low wages and a voluntary productivity incentive scheme to encourage workers and enterprises adopt productivity improvement and gainsharing programs.

As of year-end, 19 rates out of a total of 110 minimum wage rates were found to be below the regional poverty threshold. The minimum wage-poverty threshold gaps ranged from P3 to P98 and mostly in the sectors of agriculture and retail/service establishments regularly employing not more than ten (10) workers. These were found in Regions I, II, III, IVA, IVB, V, VIII, XIII and ARMM.

Meanwhile, the ratio of the regional minimum wages to average wages averaged 78% in 2013.

Documentation of gainsharing practices in the Philippines

The report is a presentation of the gainsharing practices of the training beneficiaries of the Regional Boards and MSMEs who participated in the Productivity Olympics.

The study showed that productivity improvement and gainsharing schemes are commonly practiced among medium enterprises which have more established business structures, documented systems and procedures, productivity programs and performance appraisal systems. The more common productivity

improvement programs were: 5S of Good Housekeeping, improvement of plant layout, skills upgrading, standardization and documentation of work processes, adoption of energy saving measures to reduce input costs, continual process improvement and setting up of quality circles. Meanwhile, the gainsharing schemes adopted by these enterprises were patterned after the scanlon, rucker and improshare methods.

Conceptual and empirical framework for determining minimum wage for domestic workers

The enactment of Republic Act No. 10361 otherwise known as the “Kasambahay Law” on 18 January 2013 is in support of the Philippines’ ratification of ILO Convention No. 189 or the Domestic Workers Convention. The ILO Convention was crafted based on the framework of promotion and protection of the human rights of all domestic workers; respect and protection of fundamental principles and rights at work and; fair terms of employment and decent living conditions

RA 10361 prescribes standards on working conditions for domestic workers including minimum wages which were initially set at P2,500 for NCR; P2,000 for first class cities and municipalities and P1,500 for the rest of the country. It also mandated the Regional Tripartite Wages and Productivity Boards to review and adjust these rates one year from the effectivity of the law.

To guide the Boards in the exercise of its wage setting function, the NWPC drafted a policy guideline on the determination of minimum wages for domestic workers, taking into consideration the TTWS and the principle of balancing needs of workers with employers’ capacity to pay. As such, the guidelines prescribes the following factors in setting minimum wages for domestic workers:

Needs of workers:

1. Poverty threshold
2. Changes in the CPI

Capacity to pay:

3. Average wage of domestic workers
4. Household income of households with domestic workers

The IRR of the law also directs the NWPC, in coordination with TESDA, to develop of a skills/competency-based pay system, over and above the minimum wage, as guide to employers and domestic workers in setting wage rates for TESDA trained and/or certified domestic workers. The wage policy for domestic workers is aligned with the law's overall thrust to professionalize domestic workers by encouraging them to improve their competencies and enhance their employability within and outside the household setting.



Legislative Bills

In the exercise of its function as adviser to Congress on matters relating to wages, income, and productivity, the NWPC prepared and submitted comments/inputs on various legislative bills to the Department Legislative Liason Office (DLLO) and Congress.

In 2013, eight legislative bills were studied and, for which, position papers were prepared:

1. Senate Bill No. 1645 – 14th Month Pay Law - proposed by Senator Vicente Sotto III, the bill requires all employers to grant 14th month pay to all government and non-government rank-and-file employees not later than December 24 of every year. Its purpose is to support workers' expenses for the educational and medical expenses of their families.

The NWPC estimated the potential labor cost impact of the bill on enterprises, particularly on MSMEs which comprise 99 percent of the total economy.

2. Instituting Magna Carta for Seafarers – proposed by Senator Jose Pimentel “Jinggoy” Estrada, the bill cites provision on the standard employment agreement containing wage and wage-related benefits for seafarers. It also proposes the inclusion of the role of the RTWPBs in setting the minimum wage rates of the seafarers on-board ships engaged in domestic shipping. Its purpose is to recognize the rights, contribution, and unique role of Filipino seafarers as maritime professionals including their vulnerabilities and protection before, during, and post-employment.

The NWPC supports the entitlement of seafarers to receive the mandatory wage-related benefits such as overtime pay, holiday pay, service incentive leave, and 13th month pay. However, the Commission maintains its reservations on the setting of minimum wages for seafarers as minimum wages are intended only for poor and vulnerable workers who cannot bargain for themselves better terms and conditions of work. Seafarers who are required to meet standard competence relative to their particular functions and level of responsibility on-board pursuant to Standards of Training, Certification, and Watchkeeping-95 (STCW-95) are considered skilled workers. Their skills and competence enable them to compete in the labor market and demand a level of wage commensurate to their skills.

3. Senate Bills on Micro, Small, and Medium Enterprises – bills aimed at providing incentives and relief to MSMEs to allow them to grow and become viable economic units, contributing to

the generation of income and employment to the growing labor force. Among others, the bills seek to exempt microenterprises from compliance with the minimum wage.

- Senate Bill 253 – An Act Promoting Job Generation by Providing Additional Incentives to MSMEs;
- Senate Bill 1028 – Promoting the Reduction of Poverty through the Development of Micro, Small, and Medium Enterprises;
- Senate Bill 615 – An Act to Expand the Coverage of Microenterprises as Beneficiaries of the Magna Carta for MSMEs or RA 6977, as Amended by RA 8289 and Further Amended by RA 9501;
- Senate Bill 1254 – An Act Amending RA 6977, otherwise known as the Magna Carta for Small Enterprises to Promote Compliance Among Small and Medium Enterprises; and
- Senate Bill 1593 – An Act Establishing Business One-Stop Shop (BOSS) Centers for Small and Medium Enterprises in all Regional and Provincial Centers in the Country.

While NWPC recognizes the valuable economic contribution of microenterprises, it maintains its reservation on the exemption from the minimum wage coverage on the grounds that workers are entitled to receive at least the minimum wage. Instead, the NWPC proposes that a ceiling or cap on the number of times that a microenterprise may renew its Certificate of Authority be established.

4. House Bill No. 375 otherwise known as “An Act Providing for P125 Daily Across the Board Increase in the Salary Rates of Employees and Workers in the Private Sector”– Proposed by the Makabayan bloc, the bill seeks for an additional P125 across-the-board wage increase for private employees, whether

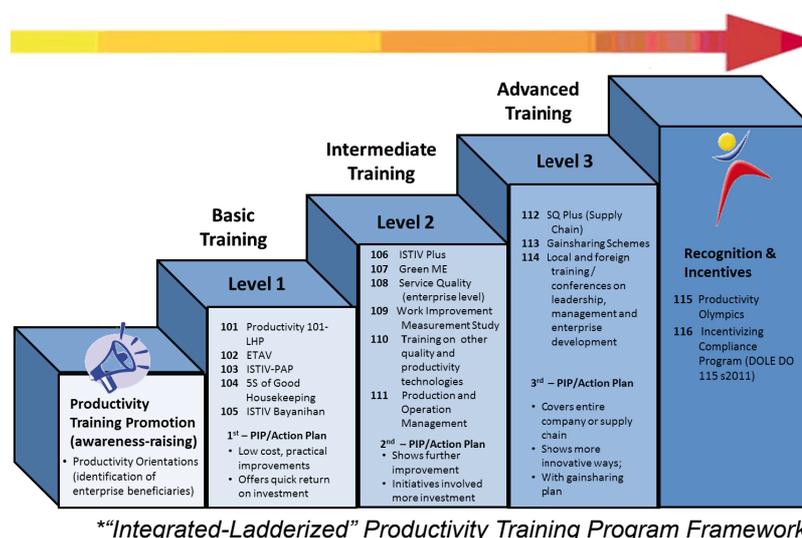
agricultural or non-agricultural, regardless of capitalization and number of employees.

NWPC upholds the view that there should be a high and decent standard of living for Filipino workers and their families. However, studies shows that the petition for the wage increase will likely do more harm than good. In the long run, it will weaken the economy because of higher prices, loss of jobs, and slower national economic growth.

Conduct of productivity training and orientation programs

The NWPC Productivity Toolbox covers the entire range of ladderized productivity training programs developed and implemented by the NWPC and its Regional Boards. These training programs are designed to build the knowledge, skills and attitudes/values of workers and enterprises in designing and implementing productivity improvement programs in their workplaces. The target beneficiaries of these training programs are the micro, small and medium enterprises which comprise 99% of some 800,000 enterprises, nationwide.

PRODUCTIVITY TOOLBOX



The productivity training programs include the basic or foundational modules on ISTIV (a values based training program on the concept of productivity and simple and practical ways to improve productivity) and 5S of Good Housekeeping. It also includes more advanced ISTIV programs like Bayanihan, ISTIV Plus and ISTIV-Succeeding in Business; Green Productivity; and Service Quality (SQ) for Key Employment Generators.

For 2013, more than 3,000 plant-level trainings were conducted by the Boards for 10,500 firms, resulting in the installation of 2,108 action plans/PIPs. The Boards also conducted 332 orientations for 7,371 MSMEs and 14,217 workforces.



Tamang Kaalaman sa Kita at Kakayanan



NWPC's Tamang Kaalaman sa Kita at Kakayanan or T3K is an advocacy and information program which aims to raise public awareness on the applicable minimum wage rates and on the importance of productivity improvement among MSMEs.

This information drive is undertaken through learning sessions, stakeholder consultations, public hearings, training programs, and distribution of related information and educational campaign materials.

This year's information campaign reached 239,507 clients nationwide.

Learning Sessions on wages, incomes and productivity

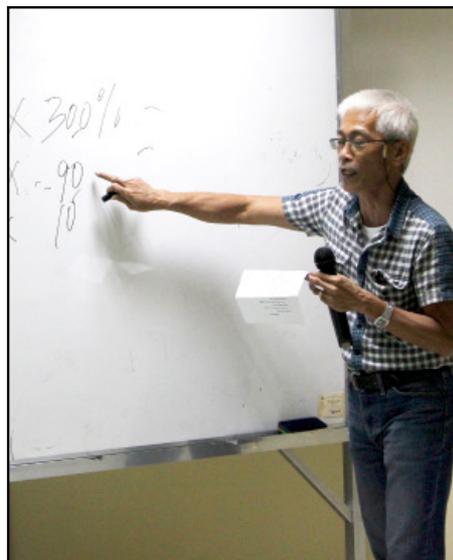
For 2013, NWPC conducted 17 Learning Sessions on wages, incomes, and productivity, surpassing its target for the year.

The Learning Session is an advocacy program of the NWPC 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.

The sessions were attended by 971 participants, representing 606 companies which are mostly located in the National Capital Region and nearby provinces.

This year's performance also marks an 8% increase over the actual number of sessions conducted last year (2012).

Snapshots on the Learning Sessions being held at the NWPC Conference Room, 2nd floor of Dy International Building in Malate, Manila.



NWPC GOVERNANCE AND CAPACITY - BUILDING INITIATIVES

Internal capacity-building programs

For 2013, 137 employees of NWPC and RTWPBs attended a total of 28 local trainings, fora and seminars on the following topics: preparation of financial reports, statistics, development of modules, wage and productivity-related bills, internal quality audit, management and supervisory courses, human resource and administrative functions, labor laws compliance system and convergence programs with other DOLE and government agencies.

Further, three NWPC officials were sent abroad for training and seminar. They were OIC-Director Atty. Jamie-Lyn D. Jamias who attended the ILO Asian Knowledge-Sharing Forum: Realizing Decent Work for Domestic Workers in Bangkok, Thailand on April 24-26, Training and Technical Services Division Chief Ms. Sylvia P. Piano who attended the Advance Training Course for Green Productivity Practitioners in Tokyo, Japan on December 8-14, 2013 and Dir. Elvira P. Jota have attended the Learning Forum on Green Jobs: Local Strategies and Actions in Turin, Italy on November 4-15.

On top of which, 90 NWPC and RTWPB officers and staff also participated in the multi-sectoral and multi-level training on Developing Productivity Professionals in the Philippines which is a training collaboration of the DOLE through the NWPC with Singapore's Nanyang Polytechnic International and Temasek Foundation.

Gender and Development (GAD)

For year 2013, NWPC fully implemented its Gender and Development (GAD) Program to mainstream gender sensitivity into the agency's programs, services and internal policies and programs. This is in compliance with Republic Act 9710 otherwise known as the Magna Carta for Women.

Celebration of Women's Month

As part of its GAD Plan and Employees' Health and Welfare Program, the NWPC organized activities in celebration of the National Women's Month such as dance workout sessions from Tuesday to Friday through the month of March and a film showing on the movie "Les Miserables".



The NWPC also showed its support to advocacies on violence against women. On November 24, selected employees joined the "Walk to End Violence Against Women" which was organized by the Philippine Commission on Women. The march started at the Cultural Center of the Philippines and ended at the T.F. Valencia Circle, Rizal Park, Manila.

This year, the theme of the National Women's Month was "*Kababaihan: Gabay sa Pagtahak sa Tuwid na Daan*".

Moral renewal seminar

A number of NWPC employees participated in the Moral Renewal Seminar entitled "*Paglalakbay ng Puso*" on December 13, 2013 at NWPC Conference Room. The seminar was facilitated by experts from the Lay Formation Center of the Archdiocese of Manila.

Consistent with the Department's Human Resource Development Program, the seminar focused on rediscovering one's self and the meaning of respect and integrity. There was a heartfelt sharing of experiences and life-lessons between the facilitators and the NWPC employees.

The seminar further highlighted the importance of conducting similar activities for workers to have an integrated and balanced life.

NWPC is set to take level 2 of the program in 2014.

Dr. Gains telling the NWPC officers about the importance of the individual's moral values in the effective delivery of programs and services.



Teambuilding at Noahs Park, Rizal

For two days, NWPC and RTWPB officers and employees set their work aside to attend the teambuilding activity at Noah's Park in San Isidro, Rodriguez, Rizal on July 4-5. Organized by the Administrative



Division, the activity aimed to foster camaraderie and teamwork within the organization to enhance work relationships and performance in the attainment of the organization's goals. Structured learning experience-based activities and games on team building were conducted.

Rationalization Program in NWPC and RTWPBs

Early the year 2013, the NWPC implemented its rationalization plan, having been approved by the Department of Budget and Management last January 10, 2013. Among others, the rationalization plan redefined the functions of each agency to eliminate duplication or overlapping of functions across agencies.

Under the plan, the NWPC absorbed, on top of its regular functions, the wage standard setting functions of the Bureau of Working Conditions which are the conduct of time and motion studies (TMS) and facility evaluation (FE). The conduct of TMS ensures the fair and reasonable: (i) setting of production rates and

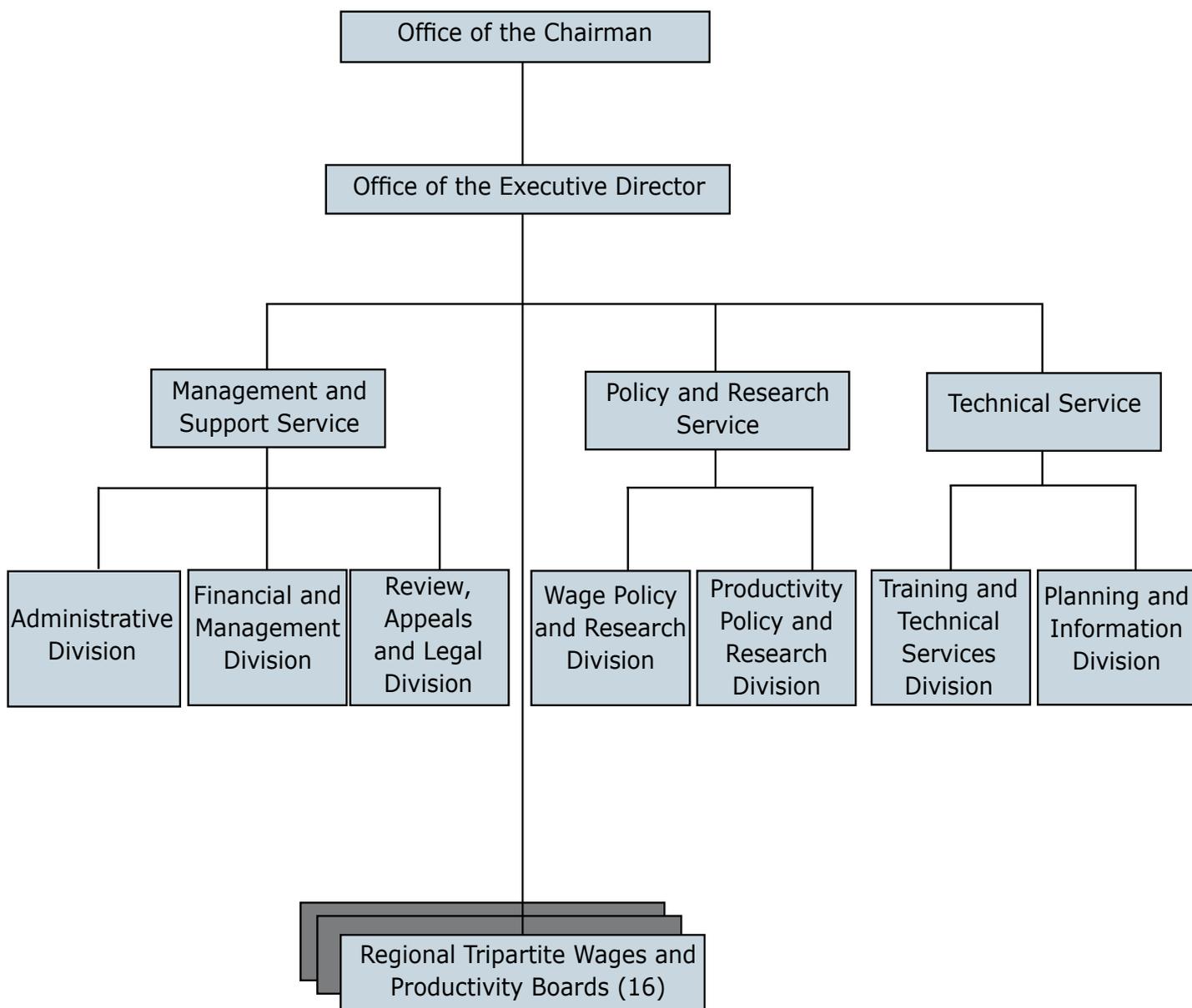
for workers paid-by-result based on the applicable minimum wage and (ii) valuation of articles and facilities commonly furnished by employers to their employees/workers and considered part of wages. In the conduct of TMS and FE, the NWPC issued guidelines to ensure the proper implementation of these programs by the Boards.

The plan further strengthened the following functions:

- Regional implementation of policies and programs on wages and productivity through an increase in the allocation of human, financial and physical resources to the RTWPBs; enhancement of technical and management services provided to them; and professionalization of the bureaucracy through the upward reclassification of positions in the Central Office and RTWPBs;
- Development of policy and legislative proposals and other procedural reforms for the Congress' or the President's approval based on researches on wages, incomes and productivity; and
- Policy engagement, networking and strategic alliances with social partners/stakeholders in implementing wages, incomes and productivity policies and programs.

The following changes were also adopted: seven (7) positions were abolished (six of which are funded), two (2) created, twenty-two (22) reclassified, two (2) converted, thirty-five (35) transferred, six (6) retained, six (6) transferred and reclassified, and eight (8) transferred and converted. This resulted to a decrease of twelve (12) plantilla positions from 196 to 184.

Meanwhile twenty-four employees opted for early retirement under the rationalization plan. Before year end, 40 vacant positions were filled-up. The departments, divisions, and units were also renamed and re-organized to adopt the following structure.



Executive Director Maria Criselda R. Sy heads NWPC

A decade after leaving the Commission for a new post in the Department, Dir. Maria Criselda R. Sy returns to her home, the National Wages and Productivity Commission.

She graduated with a Bachelor of Science degree in Applied Economics from the Polytechnic University of the Philippines where she was initially employed as a college instructor in 1987.

She started her career in the Department of Labor and Employment under National Productivity Commission (NPC) in 1988 as Labor Information Officer and later rose from the ranks.

While serving as Chief LEO under Agriculture Sector Division, she pursued a Post Graduate degree in Labour Studies at University of Queensland in Australia.

With the merging of the National Wages Council and the NPC, under the DOLE reorganization in 1990, she was appointed Director II for Wages and Productivity Department. Under her leadership, the Department completed researches/studies on minimum wage earners' demographic profile and socio-economic



Executive Director Maria Criselda R. Sy takes oath before Secretary Baldoz.

characteristics, comparative study on wages and labor productivity statistics in the Asia-Pacific region, advocacy strategies relative to the implementation of the Productivity Incentives Act and various wage and productivity policy reforms. She introduced strategies to implement the NWPC's flagship programs like Operasyon PAWIS) and ISTIV Productivity Awareness Program (PAP), and was also actively providing technical assistance in the implementation of the National Action Agenda for Productivity.

In 2003, Dir. Sy was invited to join DOLE proper by assuming the position of Director of the Bureau of Labor and Employment Statistics (BLES). Under her leadership, the BLES sustained its ISO certification, generated the decent work index and continued to conduct nationwide surveys covering an expanded range of areas on labor and employment. In 2004, she pursued a Master's degree in Public Policy at the National Graduate Institute for Policy Studies (GRIPS) in Japan.

The opportunity to head the Bureau of Local Employment, another equally challenging bureau, was offered to her in 2008. Among her major accomplishments as BLE Director were the enhancement of the PhilJobnet; establishment of the skills registry system; conduct of Project Jobs Fit; intensification of career and employment coaching initiatives of DOLE such as the creation of the Network of Career Guidance Counselors, inter-agency collaboration on CGAP and advocacy on PESO-institutionalization; and the formulation of the skilled occupation shortage list, among others.

Last 29 May 2013, she returned to the NWPC to assume the post of Executive Director left by now Undersecretary Ciriaco A. Lagunzad III. As she faces yet another promising career move, Executive Director Sy will continue to inspire people and organizations to be driven by commitment and excellence towards the attainment of a common goal.

Signing of Collective Negotiation Agreement

The NWPC management and employees successfully sealed the 4th NWPC-Collective Negotiation Agreement (CNA) last 03 September 2013. The event was held as a highlight in one of the flag raising ceremonies of the NWPC.

Among the salient provisions of the CNA were:

- Personal Rights and Representation including grant of CNA incentive to employees with at least six (6) months of service;
- Professionalism and Personnel Development including trainings, seminars, and workshops in all areas of work in accordance to Civil Service Commission rules and regulations; and
- Employee Welfare and Benefits such as medical benefits, grant of loyalty award, subsidized education and scholarship programs in accordance with the DOLE Education and Scholarship Program (DESP), and staff development program on public sector unionism and union management.



NWPC Management and Employees Association officers during the signing of the 4th Collective Negotiation Agreement.

The Commissioners of NWPC



Ciriaco A. Lagunzad III
Chairperson-Designate
Undersecretary, DOLE



Rosalinda Dimapilis-Baldoz
Chairperson
Secretary, DOLE



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



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



David L. Diwa
Labor Representative
Lakas Manggagawa Labor
Center



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



Eduardo T. Rondain
Management Representative
Employers Confederation
of the Philippines



Maria Criselda R. Sy
Executive Director IV
National Wages and Productivity Commission

The NWPC Directors



Patricia P. Hornilla
Deputy Executive Director



Maria Criselda R. Sy
Executive Director



Jeanette T. Damo
OIC-Deputy Executive Director



Elvira P. Jota
Director II, Technical Services



Atty. Jamie-Lyn D. Jamias
OIC-Director II, Policy and Research Service



Atty. Welma T. Sicangco
Director II, Management and Support Service

The NWPC Division Chiefs



Iza M. Anchustegui
OIC-Chief, Wage Policy and Research Division



Kim S. Lagcao
Chief, Productivity Policy and Research Division



Nelson C. Lerios
OIC-Chief, Review, Appeals, and Legal Division



Sylvia P. Piano
Chief, Training and Technical Services Division



Lourdes M. Secillano
Chief, Planning and Information Division



Victoria P. Macapagal
Chief, Financial and Management Division



Marc Alexis M. Arabe
Chief, Administrative Division

National Wages and Productivity Commission

Consolidated CO-RO Detailed Statement of Income and Expenses

As of December 31, 2013

INCOME		173,953,451.13
Subsidy Income from National Government	180,234,120.43	
Tax Remittance Advice/Subsidy from Central Office	-	
Reversion of Unused NCA	(198,705.15)	
Subsidy from Central Office	5,969,923.30	
Gain/Loss on Sale of Disposed Assets	17,243.17	
Subsidy to Regional Offices/Staff Bureaus	(12,113,954.42)	
Collection of Prior Year's Adjustment	-	
Income from Grants and Donations	41,800.00	
Interest Income	2,185.16	
Miscellaneous Income	838.64	
Less: Expenses		178,172,788.81
Salaries and Wages - Regular	59,784,125.42	
Salaries and Wages - Casual	280,940.56	
Personnel Economic Relief Allowance (PERA)	3,715,634.78	
Representation Allowance (RA)	1,876,610.88	
Transportation Allowance (TA)	1,773,909.13	
Clothing/Uniform Allowance	784,000.00	
Productivity Incentive Allowance	408,000.00	
Other Bonuses and Allowances	96,361.50	
Honoraria	13,229,810.00	
Longevity Pay	15,000.00	
Overtime and Night Pay	195,376.60	
Cash Gift	785,375.00	
Year End Bonus	5,075,379.85	
Life and Retirement Insurance Contributions	7,242,627.33	
PAG-IBIG Contributions	214,274.06	
PHILHEALTH Contributions	419,189.32	
ECC Contributions	234,403.74	
Retirement Benefits	-	
Terminal Leave Benefits	6,603,997.21	

Other Personnel Benefits	14,557,204.16
Travelling Expenses - Local	3,827,976.09
Travelling Expenses - Foreign	225,066.85
Training Expenses	2,494,595.17
Scholarship Expenses	40,000.00
Office Supplies Expenses	2,496,810.20
Accountable Forms Expenses	34,371.90
Gasoline, Oil and Lubricants Expenses	1,460,000.31
Other Supplies Expenses	142,475.75
Water Expenses	291,878.09
Electricity Expenses	3,154,930.35
Postage and Deliveries	156,662.02
Telephone Expenses - Landline	1,037,482.02
Telephone Expenses - Mobile	546,489.15
Internet Expenses	684,383.62
Cable, Satellite, Telegraph, and Radio Expenses	36,131.23
Awards and Indemnities	-
Membership Dues and Contributions to Organizations	-
Advertising Expenses	714,547.44
Printing and Binding Expenses	121,515.91
Rent Expenses	11,914,376.04
Representation Expenses	6,362,164.73
Transportation and Delivery Expenses	196,299.40
Subscriptions Expenses	167,840.10
Legal Services	20,410.00
Auditing Services	65,355.32
Consultancy Services	134,000.00
General Services	205,429.36
Janitorial Services	1,666,387.67
Security Services	1,606,980.55
Other Professional Services	1,382,691.44
Repairs and Maintenance	947,283.50
Donations	-
Extraordinary Expenses	369,490.67
Miscellaneous Expenses	258,374.42
Taxes, Duties and Licenses	49,386.21

Fidelity Bond Premiums	205,523.25	
Insurance Expenses	393,475.31	
Depreciation Expense-Leasehold Improvements-Bldg.	105,850.50	
Depreciation	8,708,652.22	
Loss of Assets	256,428.30	
Other Maintenance and Other Operating Expenses	8,504,704.68	
Bank Charges	-	
Net Income/Loss		(4,219,337.68)

National Wages and Productivity Commission

Consolidated CO-RO Detailed Balance Sheet

As of December 31, 2013

Current Assets		887,166.90
Petty Cash Fund	-91.25	
Cash Collecting Officer	4,161.20	
Cash in Bank - Local Currency , Current Account	685,755.88	
Cash National Treasury - MDS	197,341.07	
Receivables		517,414.77
Due from Officers and Employees	22,858.93	
Due from National Treasury	15,498.98	
Due from NGAs	78,780.23	
Due from Regional Offices/Staff Bureaus	55,914.83	
Receivables - Disallowances/Charges	273,936.47	
Advances to Officers and Employees	70,120.66	
Other Receivables	304.67	
Inventories		2,470,416.22
Office Supplies Inventory	2,380,821.05	
Accountable Forms Inventory	8,105.00	
Other Supplies Inventory	81,490.17	
Prepayments		2,405,280.69
Prepaid Insurance	12,448.78	
Prepaid Rent	729,276.80	
Other Prepaid Expenses	267,221.43	
Guaranty Deposits	1,396,333.68	
Property, Plant and Equipment		
Leasehold Improvements	2,700,226.14	2,392,314.60

Accumulated Depreciation-Leasehold Imp.-Bldg.	(307,911.54)	
Office Equipment	12,307,845.84	4,924,766.61
Accumulated Depreciation - Office Equipment	(7,383,079.23)	
Furniture and Fixtures	8,146,774.63	4,613,727.34
Accumulated Depreciation - Furniture and Fixtures	(3,533,047.29)	
IT Equipment and Software	33,829,077.88	14,395,160.47
Accumulated Depreciation - IT Equipment	(19,433,917.41)	
Library Books	1,287,913.07	881,461.98
Accumulated Depreciation - Library Books	(406,451.09)	
Communication Equipment	4,606,470.05	2,631,702.88
Accumulated Depreciation - Communication Equipment	(1,974,767.17)	
Motor Vehicles	20,031,239.54	13,130,577.81
Accumulated Depreciation - Motor Vehicles	(6,900,661.73)	
Other Property, Plant and Equipment	4,390,582.25	657,522.98
Accumulated Depreciation - Other Property, Plant and Equipment	(3,733,059.27)	
Items in Transit		1,743,414.72
Other Assets		1,130,088.81
Total Assets		52,781,016.78

Liabilities

Current Liabilities

Accounts Payable	24,888.77	2,372,016.97
Due to National Treasury	36,393.19	
Due to BIR	1,025,636.68	
Due to GSIS	121,410.44	
Due to PAG-IBIG	33,797.99	
Due to PHILHEALTH	9,743.57	
Due to Other GOCCs	30,142.40	
Performance/Bidders/Bail Bonds Payable	464,754.65	
Other Payables	625,249.28	
Government Equity		50,408,999.81
Total Liabilities and Equity		52,781,016.78

VISION

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

MISSION

To ensure a decent standard of living for workers and their families, and contribute to the competitiveness of enterprises through improved productivity of workers.

MANDATE

NWPC is a key policy making body on wages, incomes and productivity, mandated under RA 6727 or the Wage Rationalization Act (1989) and RA 6971 or the Productivity Incentives Act of 1990 to:

-  Determine minimum wages at the regional, provincial and/or industry levels; and
-  Promote productivity improvement and gainsharing schemes, particularly among micro, small and medium enterprises.

NWPC formulates policies and guidelines on wages, incomes and productivity and exercises technical and administrative supervision over the RTWPBs.

With 17 RTWPBs (including ARMM) responsible for setting minimum wages and promoting productivity improvement programs.



NWPC Annual Report

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Editor-in-Chief

Lourdes M. Secillano

Assistant Editor

Julie Callope-Llorente

Lay-out Artist

Jerome P. Lucas

Contributors

Iza M. Anchustegui

Phyllis G. Dela Rosa

Kim S. Lagcao

Production/Circulation

Gladys S. Gatpandan

EDITORIAL BOARD

Executive Director Maria Criselda R. Sy

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