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Study on the Collective Bargaining in the Hotel Industry

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Collective bargaining is the centerpiece of industrial relations in the Philippines. It is a procedure whose end result is the making of collective agreements between employers and accredited representatives of employees concerning political and economic issues of employment. The end result of the collective bargaining process, and an indicator of the success of labor unions to improve the working conditions of the employees they represent, is the collective bargaining agreement (CBA) itself.

This paper aims to examine the collective bargaining agreements of selected hotels in the Philippines, and to determine the outcome of the collective bargaining process in terms of the common political and economic issues covered in the CBA; identify significant differences in the number of strategies and tactics used by the labor unions, number of political and economic issues negotiated based on the type of hotel, and union affiliation with a federation. The study likewise seeks to identify the problems and obstacles, as well as the success factors, encountered by the union during the collective bargaining negotiations.

This study was undertaken using the descriptive, comparative, and evaluative research designs. The study covered a total of 61 unions from 54 unionized hotels in Metro Manila and in other major cities outside of Metro Manila.

Of these, only 30 unions responded to a survey questionnaire, which focused on gathering data related to hotel profile, union profile, strategies and tactics used by the union, problems and obstacles encountered during negotiation, and success factors experienced in the CBA negotiations. For all 61 unions, however, content analysis of their existing CBAs was done to determine the common economic and political issues negotiated.

The across-the-board increase is the main feature of the CBA economic provisions. The average daily wage increase is P5.70 and for the monthly basis, the average increase is P831.33. Wage increases are clearly a function of the capability of the hotels to provide for such, as can be gleaned from the disparity of increase given by the larger hotels and the smaller ones.

As the core of the economic issues, which, if not agreed upon, could result in a deadlock and ultimately the filing of a notice of strike by the union. In most cases, particularly among NUWHRAIN-affiliated unions, strike is used as a last resort to get wage increases. Although the financial capability of the hotel dictates the substantial giving of the increase, it is the capability of the union to negotiate how much increase will be given to the workers during the lifetime of the CBA.

The patterns of other economic benefits negotiated in the CBAs like bonuses, service charge distribution, leaves, premiums, etc. generally reveal provisions that are not that substantially different from what is provided for by law. In fact, there are cases where there is no explicit provision in the CBA about such benefit which is provided for by the

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Labor Code.

Among the economic provisions, the best features of CBAs include provisions on job and wage scale, leaves that are gradually increasing based on length of service, and the inclusion of new types of leaves such as birthday leaves and menstrual leaves. These provisions are usually found in the NUWHRAIN negotiated CBAs.

Among political issues, organizational and workers' rights are the heart of the matter. Unions will employ all types of tactics, especially the federated ones, to get the best possible concessions of these matters.

The trends in the organizational rights of the unions show that union security through maintenance of membership, check off, and union leave are the most common provisions to ensure the strength and effective functioning of the union as an organizations. On the other hand, workers' rights are secured in the CBA through security of tenure/ job security and provisions for layoff and rehiring. However, many unions failed to negotiate in the CBA specific provisions concerning promotions and transfers of workers.

Among the political provisions, among the best features of CBAs are the provisions on prohibition against labor contracting, the considerable number of union leaves that members and officers can use during the year, and protection in case of sale, lease, transfer, merger, etc. Again, these provisions are usually indicated in the NUWHRAIN negotiated CBAs.

According to hotel classification, de luxe hotels are generally providing better economic packages in the CBA compared to economy and standard type hotels. These de luxe hotels are mostly NUWHRAIN members, too. Reviewing their financial statements, these hotels are also the more profitable ones.

By and large, economic and political demands are significantly substantial among NUWHRAIN-federated unions. Independent unions and unions affiliated with PPSLU & other federations do not really differ substantially in terms of the number of provisions they have successfully included in their CBAs.

The acquired provisions in the CBAs are products of the collective bargaining processes as influenced by the union and hotel situations and the economic and political conditions in the country and globally. Collective bargaining therefore, is a leveling mechanism to lessen the power of management and the perceived "social injustice" in the workplace. Through collective bargaining, the workers develop a perceived power and gain conviction that they can rival the management with this power. Hence, the union must be able to play this game through the use of various strategies and tactics. The experience of union negotiators is plus factor for the union, as well as its affiliation with a strong federation such as NUWHRAIN.

Since collective bargaining is a very significant function of any trade union, it is imperative that the following courses of action be taken to ensure effectiveness in this undertaking:

1. Conduct regular and continuing training on collective bargaining for union officers and panel negotiators. The training should not only include formal classroom input, but also actual observation of hotel negotiations and coaching of the experienced negotiators both at the local and federation levels. The training on collective bargaining should include, among others, these topics: (a) strategies and tactics, (b) legal framework, (c) understanding financial statements, (d) writing a CBA proposal, (e) and effective communication and negotiating skills.
2. Undertake regular and continuing research, particularly on wages, economic indicators, needs of union members and comparative CBA provisions, which could be inputs for CBA proposals and justifications during actual negotiations.

3. Deepen the trade union commitment of union leaders and members through continuing efforts to increase their political consciousness by their involvement in mobilization and advocacy work on issues affecting their life.
4. Increase the involvement of women in trade union work and provide them opportunities to become actively involved in collective bargaining. This will serve as an impetus for more key gender concerns to be integrated in the CBA.
5. Conduct regular collective bargaining for a among the different trade unions (independent or federated), which LEARN can sponsor. These for a will serve as a venue to exchange experiences on collective bargaining and to learn from the other unions' experiences.
6. Undertake study circle sessions among union members on collective bargaining to increase their awareness and support for securing substantial provisions for their CBAs.
7. Identify best features of CBAs, which could be adopted by other unions for their CBAs. These could then be published or uploaded in the FES web site for dissemination to all interested parties.
8. Approve the pending bills filed in Congress to strengthen trade unions. Certain provisions of the Labor Code must be updated, including the removal of the restrictions to the right to strike, and the right of unions and workers to information and consultation concerning issues that significantly affect them.
9. Push for the inclusion in the Labor Code of clauses that provide for three-tier level of bargaining, including industry bargaining. However, the issue of industry bargaining must be discussed within the context of the glaring differences of resources of de luxe, standard, and economy hotels. An issue that must be addressed is whether industry bargaining would result in additional gains that unions (particularly in larger hotels) could not achieve for themselves if they negotiated separately. Industry bargaining also brings to fore the issue of regional wage determination, which makes it difficult to negotiate salaries and wages at the industry level.

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