

Republic of the Philippines
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Labor-Management Cooperation

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What is labor-management cooperation?

Labor-management cooperation is a state of relations where labor and management work hand-in-hand to accomplish certain goals using mutually acceptable means. It is the outcome of a continuing process of enhancing mutual trust and respect through:

- information sharing
- discussion
- consultation
- negotiations

as schemes of workers' participation in decision making process on matters not covered by collective bargaining agreements.

Why is there a need for labor and management to cooperate?

Primarily because labor and management are social partners sharing a common interest in the success and growth of the enterprise and the economy
Specifically:

- to promote workers' participation in decision-making processes
- to create a labor relations climate conducive to productivity improvement
- to improve the quality of working life
- to achieve and sustain economic growth

What are the mechanisms to promote labor-management cooperation?

Direct participation mechanisms through small group activities like quality control circles or productivity improvement circles

1. Indirect participation mechanisms through joint consultative bodies like labor-management councils or committees
2. Combination of direct and indirect participation mechanisms like joint bodies and small group activities

What factors are necessary for the success of labor management cooperation?

- Attitudes
 - sincerity - mutual support
 - mutual trust - openness
 - commitment - teamwork
 - mutual respect - objectivity
- Appropriate skills
 - leadership - facilitation
 - communication - team building
 - problem-solving - planning
- Suitable structure
 - addresses identified needs and concerns
 - can be formal, informal or both
 - assures adequate representation of labor and management
 - ensures attainment of decisions through consensus
 - provides feedback mechanism at all levels of the organization

What are usually covered by labor-management cooperation programs?

Sharing of information, discussions, consultations and negotiations on matters outside the collective bargaining agreement which may cover, among others, areas of management decisions like:

- personnel policies
- production plans
- business expansion programs

- productivity improvement programs
- productivity gain-sharing programs
- job security
- improvement of quality of work life
- occupational health and safety programs
- introduction of new technology and machinery
- retrenchment programs
- business mergers or closure
- workers' welfare and livelihood programs
- sports, recreation and social activities

What benefits can workers derive from labor-management cooperation programs?

- Opportunity to participate in policy and decision-making process
- A channel of communication to top management
- Means to make inputs in solving operational problems and management plans affecting workers in the workplace
- Avenues for employees to air complaints that cannot be appropriately addressed in the grievance procedure
- Opportunity to demonstrate that the union is a responsible organization with a constructive role to play beyond the traditional contract negotiations and grievance settlement
- Opportunity for self-improvement and on-the-job leadership training

What benefits can management derive from labor-management cooperation programs?

- A forum to share information about business conditions, quality problems, product development and other matters that demonstrate the role of employees in the success of the enterprise.
- An opportunity for advanced discussions of operational problems and plans, particularly those affecting employee work schedules, overtime, lay-offs, transfers etc.
- A means to relate with the union without being bogged down in labor relations issues.
- Opportunity to demonstrate responsiveness to constructive suggestions and valid complaints of employees in improving the workplace.
- Means to tap the large reservoir of know-how and creativeness of employees.
- A channel of communication with employees.
- Enhancement of human factor in organizational effectiveness.

Steps in the Formulation of Labor-Management Cooperation Programs

- Orientation on labor-management cooperation
- Recognition of common objectives and problems and the need to cooperate and agree on mutually acceptable solutions
- Determination of appropriate organizational structure
- Adoption of operating guidelines to govern the cooperation program
- Setting-up of the operating structure
- Training of persons involved in the cooperation program
- Identification and prioritization of problems
- Formulation and development of plans and projects
- Implementation of plans and projects
- Monitoring and evaluation of projects

Guidelines in Setting-up Appropriate Organizational Structure

Under R.A. 6715, the operating mechanism of labor-management cooperation programs in organized establishments is called Labor-Management Council. In unorganized establishments, the mechanism is called Labor-Management Committees.

To ensure the orderly operations of the Council or the Committee, it is desirable that the parties agree on basic guidelines or principles which may include:

- The objectives of the committee/council
- Coverage of committee's/council's activities
- Structure and size of the committee/council
- Time, place, duration and frequency of meeting
- Procedure for the timing and exchange of agenda
- Recording, maintenance and dissemination of minutes of meetings
- Other matters the parties may wish to include

Organization and Structure of a Labor-Management Council or Committee

While there are no set rules, a typical committee/council has the following organizational features:

- Composed of an adequate number of representatives from labor and management.
- Labor representatives shall be elected by at least the majority of the workers in the establishment.

- Management is represented by top level officials, the personnel or industrial relations manager, the production manager and other officers including supervisors.
- There are two co-chairmen -- one from each side who serve concurrently or on a rotating basis. A secretary is also appointed.
- A third party facilitator acceptable to labor and management may assist the committee particularly in the early stages of its operation
- Subcommittees may be formed to consider specific concerns at the shop-floor level.

The Problem-Solving Process

To ensure the non-adversarial character of the labor-management committee, issues should be addressed using the problem-solving process involving the following steps:

- Define the problem
- Get all the facts
- Find the cause of the problem
- Propose solutions
- Evaluate proposed solutions
- Select the best solution
- Implement the corrective action
- Evaluate the corrective action undertaken

The Role of Third Parties

Parties to a labor-management cooperative effort may require the services of a third party facilitator. At their invitation, a facilitator can assist in a variety of ways particularly in the initial stages, to wit:

- Help enhance mutual trust between labor and management
- Assist the parties in identifying common interests, problems and opportunities
- Facilitate the first few and often difficult meetings of a new labor-management committee
- Provide objectivity and encouragement to the committee
- Guide the committee in problem-solving techniques
- Provide technical assistance to the committee
- Assist the parties obtain technical assistance from other agencies and institutions.

NCMB Services on Labor-Management Cooperation

Promotional Activities

- Development, production and dissemination of IEC materials (NCMB briefing paper, primer on plant-level LMC program, posters/ stickers, jingles, sound slides/video)
- Symposia, seminar-workshop, conference
- Discussion groups/networking

Technical Assistance

- Conduct of orientation seminar on LMC
- Conduct of "LMC Facilitators' Training" - Interpersonal relationship/group dynamic skills
- Communication skills
- Needs identification and analysis
- Problem-solving skills
- Value formation
- Setting up of labor-management cooperation mechanisms
- Publication and Research "LMC at Work"
- Action researches/studies