

CALABARZON TRANSPORT
TRIPARTITE INDUSTRIAL PEACE
COUNCIL

VOLUNTARY CODE OF
GOOD PRACTICES ON
DECENT WORK

IN THE TRANSPORT INDUSTRY
IN CALABARZON



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Region IV-A

Introduction

The CALABARZON Transport Tripartite Industrial Peace Council (CTTIPC) was re-constituted in October 2010 through an Election of Officers. After series of consultations, CTTIPC committed to adhere to the following: (1) review policies and evaluate local and international developments; (2) formulate tripartite views, recommendations and proposals on labor, economic and social concerns on relevant bills pending in Congress; (3) serve as a communication channel for undertaking joint programs among employers, government and workers toward enhancing labor-management relations; (4) advocate programs on working conditions particularly, occupational safety and health and productivity improvement; (5) conduct labor-management education to the social partners; (6) have more focused discussions on the identified peculiarities in the industry; and (7) pursue a pro-active role in promoting industry growth and harmony through cooperation, consultation and dialogues.

In particular, the CTTIPC pledged and bound ethically to the following specific and voluntary code of conduct on decent work:

Voluntary Code of Good Practices

1. Labor Management Relations

- 1.1 We respect the workers' twin constitutional rights to self-organization and collective bargaining and shall refrain from interfering in the exercise of the same in the industry; at the same time, on the part of the workers, we shall exercise utmost restraint in declaring or staging any strike or work slowdown or other forms of work stoppages until we have exhausted all available voluntary modes of dispute settlement, including conciliation-mediation and voluntary arbitration. We, as social partners in the transport industry, shall apply all possible remedies and strategies in amicably settling disputes in the industry, including acting as conciliator or mediator in the dispute, whenever our help is necessary.

- 1.2 We view Labor Management Cooperation as essential to the success of our business enterprises and shall cooperate with the Department of Labor and Employment (DOLE) and its attached agencies in the introduction of the concept and practice of Labor Management Cooperation into the transport industry.
- 1.3 We will adopt the voluntary modes of dispute settlement and we commit to use these modes in the settlement of disputes that may arise in the industry. For this purpose, we support the Single Entry Approach (SENA) and the idea of public-private partnership in developing a dedicated corps of voluntary arbitrators specially trained and mandated to take cognizance and resolve issues and disputes concerning the transport industry. We shall support every effort to amend the Labor Code to effectuate the above objective and to make labor laws more responsive to the needs of the industry.
- 1.4 We consider labor and employment education as critical for the enhancement of labor-management relations. For this reason, we shall make ourselves available for labor and employment education opportunities the DOLE and other government agencies may provide and those that employers may initiate.

2. Conditions of Work and Occupational Safety and Health

- 2.1 We comply with labor standards, including the payment of at least minimum wage, and occupational safety and health standards. In pursuit of decent work, we shall implement competitive workplace practices in the areas of compensation and other workers benefits, occupational safety and health and labor management relations, to ensure higher morale of workers, raise productivity, and business profitability and viability.
- 2.2 We shall provide decent working environment within the terminals for the Public Utility Vehicle (PUV) crews to take their meals, rest, or personal necessities during waiting period and/or broken time trip schedule.
- 2.3 We shall cooperate with the DOLE in the enforcement of labor standards and participate in the DOLE Incentivizing Labor Law Compliance program which aims to promote voluntary compliance by a) giving due recognition and incentives to a company's initiative to voluntarily comply with labor laws or having implemented a much higher standards with a Tripartite Seal of

Excellence on their products and in the establishment; or b) assisting a non-compliant company through training and technical assistance to enable it to comply with the requirements set by law, and upon compliance, the establishment and its products shall be given a corresponding tripartite certification and/or a Tripartite Seal of Excellence, as the case may be.

- 2.4 We recognize the negative impact of night work on the physical and emotional well-being of employees, especially women, and as such commit ourselves to implement measures to mitigate its adverse effects on the workers.
 - a. Formulate an occupational health and safety policy and program to address the priority safety and health concerns in workplaces and worksites in the industry in accordance with the Occupational Safety and Health Standards (OSHS) and other related OSH issuances;
 - b. Organize safety and health committees, and encourage the training and accreditation of safety practitioners and advocates among workforce; and
 - c. Formulate and implement policies promoting drug-free workplace.
- 2.5 In the implementation of productivity improvement programs, the management commits to initiate and support efforts designed to ensure quality service, environment preservation, and conducive working conditions, recognize innovative ideas and involvement of workers in the implementation programs. For its part, the workers commit to support management in advancing programs on productivity, green practices and improved working condition, among others.

3. Employment Security

- 3.1 We recognize and value Philippine labor laws on security of tenure, as well as procedural and substantive due process in the termination or dismissal of employees, and for this purpose, we shall adhere with the following principles :
 - 3.1.1 That the workers' security of tenure is guaranteed by the Constitution and the Labor Code. Under the security of tenure guarantee, our employees will only be terminated from his/her employment for substantial cause and after due

process. For a valid termination by the employer the dismissal on substantial grounds must be for a just cause as provided in Article 282, or for any of the authorized causes under Article 283 of the Labor Code;

3.1.2 In termination proceedings of employees for just cause under Article 282, procedural due process consists of the twin requirements of notice and hearing. The employees will be furnished with two written notices before the termination of employment can be effected: (1) the first appraises the employee of the particular acts or omissions for which his dismissal is sought, while giving the employee a chance to be heard; and (2) the second informs the employee of the employer's decision about the case in issue;

3.1.3. **In termination proceedings of employees for authorized cause under Article 283, procedural due process consists of the following requisites:** (1) written notice served on both the employees and the DOLE at least one month prior to the intended date of termination of employment; (2) payment of separation pay or otherwise as provided under Article 283 of the Labor Code; and (3) good faith on the part of the employer. **If the authorized cause is retrenchment, the employer needs to show good faith in exercising its prerogative to retrench by using fair and reasonable criteria in ascertaining who would be retrenched or retained.** If the cause is **redundancy**, the good faith should be shown by the employer in using fair and reasonable criteria in ascertaining what positions are to be declared redundant and accordingly abolished. For purposes of this Code, **retrenchment is defined as the termination of employment initiated by the employer through no fault of and without prejudice to the employees.** It is resorted to during periods of business recession, industrial depression, seasonal fluctuations, or during lulls occasioned by lack of orders, shortage of materials, conversion of the plant to a new production program, or automation. It is a management prerogative resorted to avoid or minimize business losses. On the other hand, **redundancy exists when the service capability of the workforce is in excess of what is reasonably needed to meet the demands of the enterprise.** A redundant position is one rendered superfluous by any number of factors, such as over hiring of workers, decreased volume of business, or phasing out of a service activity previously undertaken by the business. Under these conditions, the employer has no legal obligation to keep in its payroll more employees than are necessary for the operation of its business.

- 3.2. In the case of probationary employees, added to the just causes for severing employment under Article 282 is his failure to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of his engagement. Further, we abide by the law that a probationary employee who is allowed to work beyond his probationary period of employment of at least 180 days shall be considered a regular employee.
- 3.3. In the case of project, fixed-period, casual and seasonal employment, we adhere with the Labor Code provision and implementing rules and regulations of the same, as well as the applicable jurisprudence, in the termination of employment of these types of employees. We recognize that the due process requirement in the case of these types of employees are different, considering that in the case of project employees, where termination is brought about by the completion of the project or any phase thereof, due process is complied with even if no prior notice of termination is served; **secondly**, in the case of fixed-period employees, no prior notice of termination is likewise required, it being a case of expiration of the term of the contract; **thirdly**, in the case of seasonal employees, where the work to be performed is seasonal in nature and the employment is for the duration of the season, no prior notice of termination is likewise required; and, **lastly**, in the case of casual employment, where the job, work, or service to be performed is merely incidental to the nature of business of the employer, and such job, work, or service is for a definite period made known to the employee at the time of his engagement, no prior notice is likewise required.
- 3.4. We realize that under a globalized system of trade and employment arrangements, the only real employment security consists in the worker or employee possessing and utilizing skills, work experience, education and training, competence which are needed and are constantly evolving in the global job market. It is therefore our objective to empower our workers and employees to be well-rounded, multi-skilled and flexible in their work experience and training and to use good practices on job enrichment to enhance the present and future employability of our workers.
- 3.5. We shall to the fullest extent possible refrain from retrenching or laying-off people during times of economic downturn and energy crisis, and shall apply job preservation measures, such as conduct of NC3 training, job rotation, assigning employees to other department/unit, compressed work

week and other flexible work arrangements, the idea being that economic downturns are temporary in nature but that our investments on talent and career development would go to waste if we let go of our precious human resources at the slightest sign of economic difficulties. The above is understood in the context of the exercise of management prerogatives, and is not intended to limit the flexibility of employers in the industry to discipline employees and to maintain its profitability.

- 3.6. Without prejudice to our exercise of well-established management prerogatives in the running of the enterprise including the power to discipline and sever the employment relationship, we shall apply the law and jurisprudence on substantive and procedural due process, and consider all surrounding circumstances of the case, including the length of service of the employee, his disciplinary record and other personal circumstances. Where the offense is not serious, graduated, less severe penalties shall be imposed, and always after the employee has undergone coaching and counseling.
- 3.7. We believe in the legal precept that probationary employment is to enable the employer to determine the capacity of the employee and his fitness for the job. It is not used to deny employees of the status of regular employment; therefore, the practice of replacing probationary employees en masse with a fresh batch of new probationary employees, without an assessment whether the legal purpose of the probationary employment has been achieved or not, is not condoned in the industry. It is in the industry's best interest to keep its employees for as long as it can be helped. In each case, the employer shall give the probationary employee reasonable evaluation, instruction, training, guidance and counseling to enable the employee to perform a satisfactory job.
- 3.8. As in industries or sectors where high quality productivity is strongly anchored on stringent Key Performance Indicators (KPIs), the bus transport industry can be under real time close monitoring for compliance with required performance standards. To be able to meet our customers' expectations and at the same time demonstrate fairness in the evaluation of the performance of our employees, the following guidelines are set for the determination of whether an employee should be dismissed for his or her inability to perform according to required standards:

- i. Whether or not the employee failed to meet the performance standard;

ii. If the employee did indeed fail to meet the performance standard, whether or not

1. The employee was aware, or could reasonably be expected to have been aware, of the required performance standard;

2. The employee was given a fair opportunity to meet the required performance standard;

iii. Dismissal is the appropriate penalty for the employee's failure to meet the required performance standard.

4. Employment and Human Resource Development

4.1. Our employees are our most important resource, and the success of our enterprise depends on how well we recruit, develop, train, discipline, treat and maintain our people. In the present setting where there is severe human resource supply limitations, this takes on added significance. Therefore, decisions on the imposition of disciplinary action or the capital penalty of dismissal are taken with deliberation and due process but always in the context of the exercise of management prerogatives.

4.2 We shall collaborate with government training authorities in implementation of training programs to promote employment and improve the quality of the labor pool; to do that, we shall also make available skilled personnel to assist government in such programs. We shall, likewise, provide skills trainings for our personnel such as defensive driving, preventive maintenance, NC3 training, etc.;

4.3. The government for its part shall fully support the industry in the development of a quality talent pool and shall constantly coordinate with the transport industry in the implementation of initiatives and strategies to achieve such objective;

4.4. We do not practice poaching of talent between and among ourselves, and instead cooperate with each other in promoting and exemplifying good practices in recruitment, talent development, training, job enrichment, career pathing and planning, compensation administration and employee welfare.

- 4.5. We shall collaborate with national and local governments in improving the supply and quality of our skilled workers, and for this purpose, involve ourselves actively in any government program and initiative aimed at making the labor market more efficient and improving the quality of the region's labor pool, including but not limited to participating in skills registration, job fairs, labor market surveys and other government-initiated activity.
- 4.6. We are equal opportunity employers and **DO** not discriminate against women, the youth, or differently-abled persons, except in the case of the latter where hearing and visual acuity are essential to the performance of the job. We shall in fact deliberately adopt a policy which widens employment opportunities for these special disadvantaged persons in the industry. An employee is not to be mistreated or denied promotion or other career advancement opportunities simply because of the color of his or her skin, gender, religion, age, ethnicity, sexual preference, or disease, except when the latter is contagious and prejudicial to the health and well-being of his or her co-employees.
- 4.7. We shall make every effort to promote the good image of the industry among our youth, in particular, and in our society, in general, by engaging the tri-media in the campaign to make the impression that the industry is sustainable and that it is a good source of decent and productive jobs, and also by joining the DOLE's career guidance activities for high school and college students.
- 4.8. We shall fully support every effort to create jobs and advance entrepreneurship through social media, and shall participate in every campaign to promote the creation of jobs through social networks among the youth, women, differently-abled persons and other vulnerable sectors, who would benefit from jobs and economic opportunities created through social media, including home-based employment.
- 4.9. As EMPLOYERS, we recognize the importance of supervisors and managers in the industry, therefore, we shall continuously engage our employees and open up training opportunities for them to become supervisors and managers to enhance their career development and to maximize employment in the industry.

5. Good Corporate Citizenship

- 5.1. We are committed to apply our corporate social responsibility to benefit underprivileged communities around our worksites as well as in areas identified by the local and national government agencies as needing our assistance.
- 5.2. We shall promote and practice transparency in our transactions between and among ourselves and with national and local governments, and to resist every effort or attempt at involving, or attempting to involve, our company or our individual selves in anomalous and corrupt transactions.
- 5.3. We shall promote the creation of green jobs in our industry that contribute substantially to the preservation or restoration of environmental quality. Therefore, it is our intention to contribute to this effort by engaging our employees and their families, suppliers, our immediate communities and our stakeholders in a campaign to reduce energy, materials and water consumption at the workplace, in our communities and in our individual homes, and to participate in government-initiated campaigns and activities which are designed to improve the quality of our environment, as well as to allow education and awareness campaigns on environmental preservation in our company premises, whenever operational requirements allow it.

6. Advancing the Role of Women

- 6.1. We recognize the important role of women in nation building and in family life and we will support any effort to empower women, including efforts and strategies to promote gender sensitivity and equality at our respective workplaces.
- 6.2. We are committed to allow our married, pregnant and lactating female employees to perform their maternal responsibilities well by providing such minimum facilities, including but not limited to Nursing Mother's Stations, as will enable our lactating mothers to express and preserve their mother's milk for later use.
- 6.3. We shall also refrain from allowing our pregnant employees from working at night or graveyard shift, and instead make every effort in assigning her to a less stressful job throughout the duration of the pregnancy, but only after

consultations with the concerned employee and after she has given her formal consent;

- 6.4. Depending on the nature of the work, married couples with children who are both working for our companies, we shall endeavor to keep the couple's work schedules apart to enable one or the other to attend to their child or children, again after consultations and the concerned couples consenting to it.
- 6.5. We will not condone sexual harassment in the workplace, and we will fully support the victim to prosecute the perpetrator and attain justice, and we will ensure that sexual harassment education opportunities are provided to all employees free of charge.
- 6.6. We shall benchmark and learn good practices in family welfare from the Family Welfare Committees in CALABARZON to benefit our women employees and their families.

7. Social Dialogue

- 7.1. We recognize the imperative of labor law reforms and the need to identify unique industry practices which should find their way into the statute books, and we commit to use the mechanism of the ITC to introduce and disseminate labor law reforms and proposed labor legislation.
- 7.2. We shall constantly be on the lookout for emerging good practices in labor management relations, human resource development, occupational safety and health, and other fields related to labor relations and core labor standards, and study them for possible application in the bus transport industry.
- 7.3. We dedicate ourselves to the principle of tripartism and social dialogue and in using the mechanism of the Industry Tripartite Council for the transport sector in the CALABARZON Region, to address various economic, social and labor issues affecting the industry as a whole. In operationalizing the above objective, we commit to convene bi-monthly at a venue agreed upon, and the agenda to be jointly developed beforehand.
- 7.4. We support every initiative to give a higher priority to labor and employment issues in policy debates and policy making to ensure that economic

development is inclusive and actually creates decent and productive jobs for the unemployed and the vulnerable sectors of our society.

8. Social Protection

- 8.1. We recognize the need for our employees to be protected against financial consequences of nine contingencies, namely sickness, maternity, employment injury, unemployment, invalidity, old age, death of the breadwinner, lack of access to health care, and lack of family benefits;
- 8.2. Therefore, we are committed to regularly remit to the Social Security System such contributions of the employees, as well as the contribution of the companies, that will enable our employees to fully enjoy their benefits from the System in the event of contingency.
- 8.3. We shall also campaign among our employees for savings consciousness and wise investment decisions so that on top of their social security benefits, they may enjoy a degree of financial independence upon reaching retirement age.

9. Continuing Labor Education

- 9.1. We commit to participate in the regular labor education program of the DOLE and make our key managers, supervisors, rank and file workers, and owners available for such program;
- 9.2. We also pledge to participate in other continuing labor education sessions which the partners would agree on to educate ITC members on their rights, responsibilities and commitments under this Code.

10. Achieving Code Objectives Through the ITC

This Voluntary Code of Good Practices is self-policing. It is a voluntary code, enforced by the will of the organization accepting it to maintain the standards laid down in the Code. The CALABARZON Transport Tripartite Industrial Peace Council shall through consultation and consensus, continuously formulate strategies and initiatives on how to enable the signatories to this Code achieve the objectives laid down in this Code.

IN WITNESS WHEREOF, we have hereunto affixed our signatures this 22nd day of September 2011 at Calamba City, Laguna, Philippines.