

Perceived Organizational Effectiveness of Labor Unions in the Banking, Hotel, and Manufacturing Industries

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To determine the extent of influence of the organization's context and structure factors on the perceived effectiveness of labor unions in the banking, hotel, and manufacturing industries in the National Capital Region, 88 local unions consisting of 772 rank-and-file and supervisory union members from 82 firms were covered. It is evident from the results that the level of union effectiveness as perceived by the members is a function of two major organizational factors, namely, context and structure. Moreover, there are significant differences in the average level of effectiveness rating of unions per industry.

Keywords: Organizations, organizational structure, labor unions

A trade union is a continuing, permanent, militant, and democratic organization created and run by workers to protect themselves at their work, to improve the conditions of their work through collective bargaining, to seek better living conditions, and to provide a means of expression for the workers' views on the problems of society. Thus, trade unions have become important institutions in an industrial society (Jose, 1999). From a legal perspective, the Labor Code of the Philippines (Presidential Decree No. 442) defines a labor organization as "any union or association of employees which exists, in whole or in part, for the purpose of collective bargaining or for dealing with employers concerning terms and conditions of employment" (Foz, 1982). Such organization may choose to become independent or affiliated with a national or industry union.

Unions are organized by people with structure, processes, and resources utilized to achieve certain goals. These unions operate within a set of dynamic and complex macro external systems, like the economic, social, political, and legal environment. The reality of trade unions, being major actors in the industrial relations system, is based on a number of reasons.

Earlier in the history of industrial relations, according to Perlman (1928), unions were organized to control the job situation or own the job to be protected. This economic model shows that the goal of the union is to secure higher wages and better terms and work conditions. Similarly, Allen (1954) believed that the purpose of a trade union is to protect and improve the general living standards of its members. The central role of unions is to determine wage rates, wage structure,

and unemployment levels (Filer, Hamermesh, & Rees, 1973).

The second theory on union formation is rooted on Tannenbaum's (1951) view that the main reason of workers joining the union is to eradicate or lessen their alienation from both job and society due to automation or industrialization. The union is the means to strive to create or recreate a collectivity in which the workers are related by the solid ties of state to the employer, to the fellow worker, and to the job. This collectivity is the premise of the social theory of unionism.

Flanders (1970), on the other hand, said that the union is able to exercise its democratic and political roles by formulating, through negotiations with management, a wide range of employment rules and standards that seek to protect the members. This political model asserts that unions are formed to allow workers to participate in decision-making or activities that affect them on all levels - the enterprise, community, local, national and international - to democratize power (Alliance of Progressive Labor [APL] & Labor Education and Research Network [LEARN], 2001).

Reflecting on these earlier economic and political models, Ramos (1990) developed the dualistic theory of unionism, which recognizes that trade unions can pursue their economic and political thrusts at the same time. At the firm level, the economic goal is concretely manifested in the economic provisions (e.g., wage increase and benefits) included in collective bargaining agreements (CBAs). The political goal is then pursued through the programs of action related to lobbying and electoral action unions.

Trade unions, according to Freeman (1980) have traditionally been the principal voice representation of the workers. This voice representation empowers workers to bargain effectively and negotiate to their advantage, with the result that their income and employment conditions improve. Hyman (as cited in Cacadac, 2004) explained that traditional trade unions have been shaped by the existence of normal employment relationship. This employment pattern, in turn, shapes the trade union agenda, including better

terms and conditions of employment, payment of a decent wage, and security of tenure.

Jose (1999) asserted that trade unions have traditionally performed three principal roles in their relations with individual employers, business associations, the state, and the public sector at large. First is the economic role of facilitating production, ensuring an equitable distribution of the value-added. This goal is achieved mainly through collective bargaining and negotiations at enterprise level, industry/sector level, or national level. Second is the democratic and representative role of providing voice and identity to labor at the workplace and in society at large. This role includes (1) representing workers in individual grievance procedures; (2) giving voice to laborers on economic and social policies at all levels, including enterprises; and (3) promoting cooperation between capital and labor with a view to securing employment tenure, improving working conditions and living standards consistent with sustainable growth. Third is the social role of minimizing the risk of exclusion in an industrial society by promoting solidarity unions and serving as an anchor for broad-based social movements sharing similar values and goals. The first and second functions roughly correspond to bargaining and representation, which is called "corporatism" in the post-war decades when unions are conditioned to function in a corporate environment. The third function, on the other hand, corresponds to social cohesion when unions involve themselves in the design of institutions that guarantees secure income and decent living standards in a society as a whole.

In the case of the Philippines, the history of the trade union movement in the country represents the chronology of struggle for the Filipino working people's emancipation, recognition of their human, democratic, workers' and trade union rights, and improvement of their working and living conditions. After more than a hundred years of continuing struggle, the Philippine trade union movement has enabled workers at the company level to gain certain means (e.g., collective bargaining) and weapons (e.g., strikes) to secure better income, protect jobs, and improve working conditions. At

the national level, the trade union movement has significantly contributed in molding the Philippine economic-political-cultural areas through active participation in national issues, political lobbying, and concerted actions that affect the life of the people (Edralin, 2003). However, more than hundred years of Philippine unionism, by and large, has been divided along ideological orientation and political lines, with patriarchal and legalistic leadership (Calderon, 1993).

Recent data (April 2009) indicate that the labor force in the Philippines is 37.82 million. Of this number, only 34.99 million (92.5%) are employed (Bureau of Labor and Employment Statistics [BLES], 2009a). There are 15,784 existing unions representing 1,604,364 workers. Many of the unions belong to the 10 labor centers, two industry unions, and 131 federations registered with the Department of Labor and Employment (DOLE). However, only about 227,000 (9%) unionized workers are covered by 1,469 CBAs (Bureau of Labor Relations [BLR], 2009). This fact shows that the bulk of Filipino workers are not union members and even a greater number are not covered by any collective bargaining agreement (Cacdac, 2004). They do not even comprise 1% of the almost 37 million Filipinos who belong to the labor force.

Furthermore, there are 16,891 worker associations which either complement or exist in place of unions, with a total membership of about 630,000 workers. They have 129 collective negotiation agreements (CNAs) on record covering 29,000 workers (BLR, 2009).

The most highly unionized sectors are health and social work and manufacturing. The hotel industry and the financial intermediation industry are also relatively highly unionized compared to the other sectors such as the agriculture and wholesale and retail industries (BLES, 2009b).

UNION EFFECTIVENESS: CONCEPTS AND MEASURES

What then is the union's effectiveness? Effectiveness can be viewed in terms of the unions'

ability to obtain legislative and policy concessions in peak-level tripartite negotiations (Avdagic, 2003), the use of information technology to help improve services of union to its members (Fiorito, Jarley, & Delaney, 2002), promotion fairness and participation that will be strongest for workers at high-risk for unfair treatment and outcomes in the workplace (Mellor, Barnes-Farrell, & Stanton, 1999), the extent to which the union is able to fight for the worker's human rights (Bromberg, 2002), and the degree to which the national union is able to attract and retain members (Fiorito et al., as cited in Charlwood, 2001).

Moreover, union effectiveness can also be measured in terms of strength and influence. Some tangible indications of strength and impact of unions, according to Jose (1999), are (1) the number of workers they represent, (2) the capacity to mobilize (whether unions, irrespective of numerical strength, have the capacity to mobilize labor successfully), (3) labor institutions (whether the results of union action have been institutionalized through labor legislation, collective agreements, and union participation in the administration of benefits), and (4) union structures (whether unions have developed appropriate structures to deal with labor issues arising at local, regional and global levels).

Charlwood (2001) defined organizing effectiveness as the ability of trade unions to recruit and retain members. He proposed two sets of measures of union organizing effectiveness. The first is based on a union's ability to recruit workers in the workplace where they have an established presence (internal). The second is based on a union's ability to organize non-union workplaces (external).

Moreover, unions are complex organizations composed of two-tier level organizations (local and federations), where locations of chronic internal conflicts in which multiple stakeholders (such as groups and individuals) connected to a sometimes mercurial and fractious broader social movement compete for power (Martin & Ross, 1999). But union strength as pointed out by Dasgupta (2002) and Boeri, Brugiavini, and Calmfors (2001)

depends on membership numbers, where union bargaining power is most effective when union membership is high. Similarly, the union's organizational strategies and structures, the policies they pursue, and the tactics they use, do determine their own fates (Delaney, Fiorito, & Jarley, 1995).

Based on previous studies conducted using the descriptive technique as applied to local unions, it has been found out that organizational control structure is vital to the smooth operation of a union and performance of its functions (Macalinao, 1981). Martin and Ross (1999) assert that a union also needs organizational resources, legitimate leadership and procedures, disciplined mobilizing habits, and most important, funding for it to perform its functions. The same is even truer for it to maintain its role as the major social movement in industrialized societies and, until quite recently, the ideal typical model for social movements (Tilly as cited in Martin and Ross, 1999).

By the same token, Kochan (2003) observes that unions will need to develop new capacities to build coalitions and leverage the presence and legitimacy of alternative worker advocacy groups to achieve their objectives in a more networked, fluid economy. He adds that research must ask tougher and more fundamental questions about unions and examine the various experiments playing around the world where unions are trying new approaches (as cited in Cacadac, 2004).

Finally, Macalinao (1981) reveals that among 21 independent variables, only four common significant determinants have emerged to affect the effectiveness of local unions, namely: (1) fulfillment of the union's objectives, (2) timeliness of grievance assistance, (3) federation affiliation, and (4) leadership. Union effectiveness is measured in terms of the level of the union's performance of its outputs, such as securing of better terms and conditions of employment, group cohesiveness, cooperation and participation of members, and membership satisfaction. The Macalinao study results were confirmed in Bryson's (2003) study where a distinction was made between types of union effectiveness. First, organizational effectiveness encapsulate factors which give a union

the capacity to represent its members by virtue of its "healthy" state as an organization. Second, such effectiveness refers to the unions' ability to "deliver" for employees in improving work and working conditions. Together, these two types of effectiveness signal a union that it is indeed effective in representing its membership.

Despite the role of the trade union as a social movement organization which has significantly influenced the patterns of relationship at the firm level, as well as molded the economic and political spheres in the lives of Filipino working people, there has been little research on what constitutes union effectiveness and how organization effectiveness influences unions' ability to improve terms and conditions of work and become a means of social cohesion. What have been cited are the two possible reasons for the dearth of literature in this area. Such reasons include the absence of good national data and the inability of the unions themselves to conduct such assessment. Given the situation, this study is a second attempt to fill the gap, focusing on union members' perception on their union effectiveness in the banking, hotel, and manufacturing industries in the National Capital Region. This study adopts some indicators from the Macalinao model of union effectiveness of hotel and restaurants in 1981, and uses the organizational assessment model of Pugh and Pheysey (as cited in Hauser, 1980) for the conceptual framework.

STATEMENT OF RESEARCH OBJECTIVES

The general objective of this study is to determine the extent of influence of the organization's context and structure factors on the perceived organizational effectiveness of labor unions in the banking, hotel, and manufacturing industries in the National Capital Region.

Specifically, this study aims to describe the level of perceived organizational effectiveness of labor unions using the following performance indicators: (1) achievement of objectives; (2) adequacy of implemented activities per program; (3)

compliance with the duties and obligations expected of members; (4) union cohesiveness; (5) satisfaction of members; as well as the overall or combined scores on the five indicators. It aims to compare the level of perceived union organizational effectiveness based on the type of industry where the unions belong. It aims to analyze the extent of influence of the *context factors* on the perceived level of organizational effectiveness of labor unions in terms of (1) number of union members; (2) type of ownership of the firm; and (3) nature of business of the firm. It aims to determine the extent of influence of the *structure factors* on the perceived level of organizational effectiveness of labor unions in terms of (1) number of years of union existence; (2) affiliation with a federation; (3) existence of a collective bargaining agreement; (4) leadership style of officers; and (5) length of membership in the union. Finally, it aims to identify other perceived qualitative factors that facilitated and/or hindered the effective performance of the union based on the five organizational indicators.

THEORETICAL FRAMEWORK

This study tested two hypotheses: (1) there is no significant difference in the average rating of the unions on the five organizational indicators based on their industry grouping; and (2) the context and structure factors have no significant influence on the level of union organizational effectiveness.

Conceptual Framework

Management theorists and practitioners generally agree that the ways in which organizations are designed and the environments in which they operate make a difference in affecting organizational performance (Van de Ven & Ferry, 1980). Organizational assessment is defined as the “measurement of variables related to patterns of organizational behavior and effectiveness” (Nadler, 1980, p. 199). Effectiveness is a measure of how well or to what extent something is

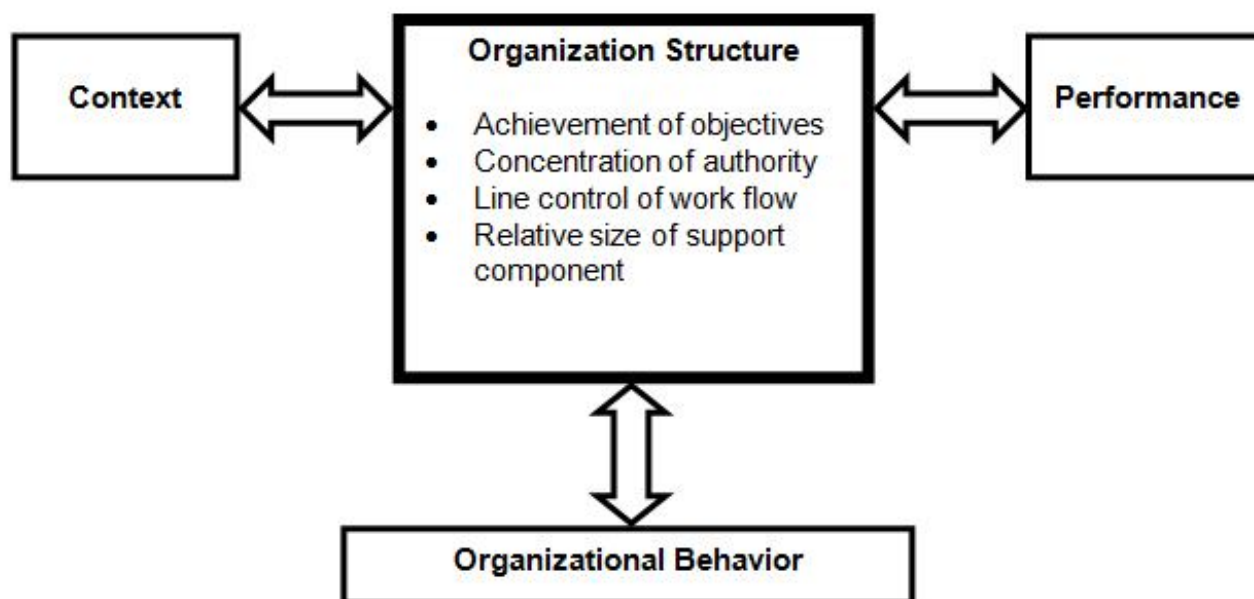
accomplished. Organizational effectiveness is normally measured on traditional indicators, like financial and sales growth (Lawler, Nadler, & Cammann, 1980). However, Lawler et al. assert that research must focus on traditional measures of organizational effectiveness and on a broad array of measures that tap the impact of the organization on the individual (e.g., satisfaction, turnover). Lawler et al. also note that in the case of unions and collective bargaining influence changes can be initiated and analyzes how successful they will be. Certain changes in management practices and organization design may affect the nature of the union and its relationship with management.

The specific model in this assessment effort is based on the work of Pugh and Pheysey (as cited in Hauser, 1980), and their colleagues in the Aston group in 1972 which is a sociological approach to the study of organizations. As part of their work, Pugh and Pheysey developed a scheme for a comparative study of organizations and their functions. This model utilizes a systems approach in that some elements of the model are conceived of as outcome of other elements.

The model takes variables that can be used to discriminate among organizations; categorizing them into four major sets of variables and specifying the nature of the relationships among the sets (see Figure 1). Variables are categorized as context, organization structure, organizational behavior, and performance.

Context constitutes the environment in which the organization must operate. Component dimensions of this set include such variables as size, technology, dependence, location, ownership and control, and charter. *Organization structure* is broken into several factors. The first factor refers to structuring of activities that include specialization, standardization, and formalization of the organization's functions. The second refers to concentration of authority that consists of the degree of centralization. The third refers to line control of work flow, including span of control and impersonality of control procedures. The fourth refers to the relative size of the supportive component, considering the proportion of the workforce that includes non-work flow personnel. *Organizational*

Figure 1. *Conceptual framework of the study.*



behavior defines a rather generalized area, including such factors as interaction patterns among the organization's members and the innovative behavior exhibited by the members as well as routine production behavior. Finally, *performance* is meant to characterize the performance of the organization as a whole, rather than as groups or individuals within it. *Dimensions* include the reputation, productivity, profitability, adaptability, and morale of the organization.

Aside from specifying the four sets of variables, Pugh and Pheysey (as cited in Hauser, 1980) suggest that the relationships among them are reciprocal to some degree. Context is seen as related to organization structure, whereas structure is related to both organizational behavior and performance. The relationship between behavior and performance is mediated by structure as the relationship between context and performance.

Operational Framework

Based on the conceptual framework, the following schematic diagram attempts to present the operational framework of the study to illustrate

the relationships of the major variables that were investigated (see Figure 2).

This framework takes the context and organizational structure factors as independent variables. This context variable constitutes the size (number of union members), type of firm (banking, hotel, and manufacturing), and the type of ownership (Filipino-owned or not). Organization structure includes years of union existence, affiliation with a federation, leadership style, existence of a CBA, and the number of years of membership. The possible intervening variables are laws related to labor relations, economic instability trends in the labor market, and globalization.

METHODOLOGY

Based on the research problem and objectives, either federated or independent local unions which belong to the banking, hotel, and manufacturing industries located in the National Capital Region as of July 2004 were included in the sampling frame. A total of 88 local unions consisting of 772 rank and file and supervisory

union members from 82 firms in the NCR were covered in this study.

Using the survey method, a questionnaire partially adopted from the study of Macalinao (1981) was used for the union members to assess their union's performance. Since an additional specific domain of organizational effectiveness were included, key informants who were knowledgeable about trade union administration like trade union federation and local leaders, trade union organizers, and trade union educators were requested to validate again the items in the questionnaire. On the other hand, the key/executive officers (president, vice president, secretary, treasurer, and auditor) who are available at the time of data gathering were asked to answer the Leadership Adaptability and Style Inventory questionnaire (developed by Hersey and Blanchard in 1972) to determine their leadership style.

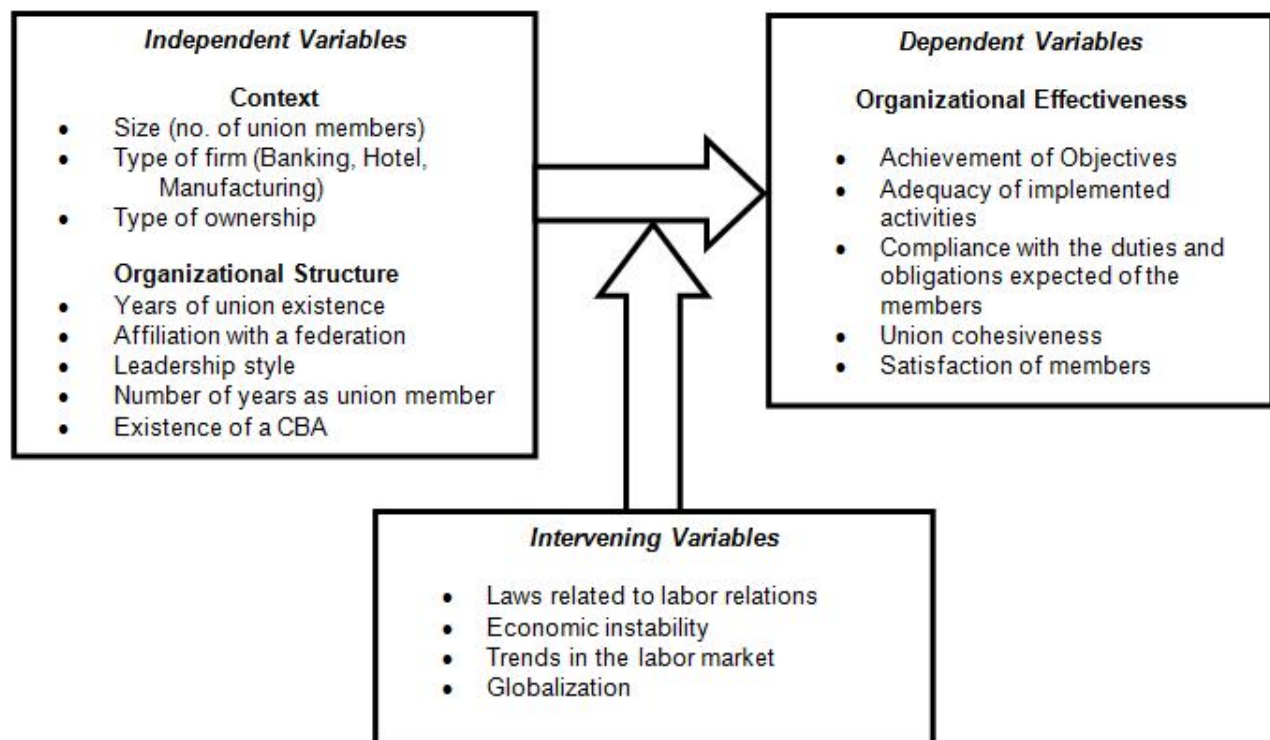
The collected data were initially analyzed using descriptive statistics, like frequency, percentage, and means. To test significant differences in the mean ratings by type of industry (banking, hotel, and manufacturing) where the unions belong, analysis of variance (ANOVA) was applied. To determine the extent of influence of the context and structure factors on the level of union organizational effectiveness, stepwise regression analysis was used.

RESULTS AND DISCUSSION

Union Profile according to the Context and Organization Structure Factors

Context factors. The 88 labor unions that participated in the survey have an average of 396 members. Unions from the banks have the highest

Figure 2. *Operational framework of the study.*



average membership of about 836, while the unions from the manufacturing sector have an average of 289 and the hotel unions, 219. It seems that the number of union members per firm is dependent on the number of directly-hired employees. The higher the number of regular employees, the more union members recruited. It is also possible that the CBA provision on union security simply requires the workers to be members of the union after regularization. (See Table 1 for details.)

The 88 firms across the three industries where the unions are recognized are predominantly Filipino-owned (70.08%). By industry, 82.25% of the banks are Filipino-owned and 75.16% of the manufacturing companies are likewise Filipino-owned. This profile of the hotel industry, on the other hand, confirms the fact that most of the deluxe hotels accredited by the Department of

Tourism are owned by international hotel chains or groups of companies operating the same brands of hotels in various countries, like the Peninsula, Mandarin, and Dusit.

Organization structure factors. Across the three industries, on average, the unions have been in existence for 20 years. The trade unions in the banks have been operating for an average of 21 years, the manufacturing labor unions for 20 years, and the hotel labor organizations for 17 years. The average years of union membership is eight years. The manufacturing unions have the highest average number (10 years), followed by the hotel unions (seven years), and then by the bank unions (six years). Meanwhile, 62% of the unions are members of a federation/national center, while the rest are independent unions. (See Table 2 for details.)

Table 1

Union Profile According to the Context and Organization Structure Factors

Union Characteristics	Industry			Overall (n=89)
	Bank (n=15)	Hotel (n=18)	Manufacturing (n=56)	
Context Factors				
Number of union members (average)	836	216	289	396
Type of ownership of firm (percentage)·				
• Filipino·	82.24%	40.54%	75.16%	70.08%
• Non-Filipino	17.76%	59.46%	24.84%	29.92%
Structure Factors				
Number of years of union existence (average)	21	17	20	20
Number years as member (average)	6	7	10	8
Affiliated with a federation (percentage)	41.42%	78.38%	63.52%	61.52%
Leadership style of officers (percentage)				
• Directing	5.32%	6.08%	12.97%	9.97%
• Coaching	87.57%	93.92%	75.16%	81.48%
• Supporting	7.10%	0.00%	11.87%	8.55%
• Delegating	0.00%	0.00%	0.00%	0.00%
• Existence of a CBA (percentage)	100%	100%	100%	100%

Table 2*Union Members' Assessment of Union Organization Effectiveness*

Organizational Effectiveness Indicators	Industry			
	Bank (n=169)	Hotel (n=148)	Manufacturing (n=455)	Overall (n=772)
1. Achievement of Union Objectives	3.34(A)	3.76(VE)	3.59(VE)	3.57(VE)
2. Adequacy of Implemented Activities per Program	3.31(A)	3.83(VE)	3.52(VE)	3.54(VE)
3. Compliance with the Duties and Obligations Expected of Members	3.76(VE)	3.84(VE)	3.76(VE)	3.77(VE)
4. Union Cohesiveness	3.60(VE)	4.12(VE)	3.74(VE)	3.78(VE)
5. Satisfaction of Members	3.45(VE)	4.08(VE)	3.58(VE)	3.64(VE)
6. Overall/Combined Scores	3.49(VE)	3.92(VE)	3.64(VE)	3.66(VE)

Rating: "Poor" = 1.00-1.79; "Fair" = 1.80-2.59; "Average" = 2.60-3.39; "Very Effective" = 3.40-4.19; "Outstanding" = 4.20 & above.

The leadership style of the key union officers is based on the model of Hersey and Blanchard (1972) that categorizes leadership style as directing, coaching, supporting, and delegating. The overall data from the self-assessment of the incumbent top leaders indicated that 82% frequently use the *coaching style*, 10% use the *directing style*, 9% use the *supporting style*, and none use the *delegating style*. A big bulk of the hotel (94%) and bank (88%) union leaders use the *coaching style* in administering their union. This result illustrates that the officers consider their members possessing a high level of commitment to the union but lack the skills and knowledge to manage the union. This also means that members need to be monitored or guided closely on issues, such as grievance handling, education, and collective bargaining. The coaching style also holds for the manufacturing union officers, although at a lesser proportion (75%) compared to those in the hotel and banking labor groups.

All the unions have existing CBAs. This outcome is expected because it is one of the primary reasons for unions to be organized. In fact, some of the unions (e.g., Century Park Hotel Employees Labor Union, Citibank Employees Union) even have CBAs that have been renegotiated for the sixth time. A review of their CBAs indicates that the common contract duration or effectivity is five years (as required by law), with renegotiations before the end of the third year to cover the last two years. The issues negotiated in the CBAs can be classified as economic issues (e.g., wage, job and salary scale, premium payments, retirement, and other benefits) and political issues (e.g., union security, job security, promotion and transfer, union leave and privileges, and saving clause). There are a number of monetary benefits that are peculiar to the nature of industry and business of the employee covered. Some of these are teller's shortage allowance of P300 per month for the banks; service charge distribution, trip distribution, and

split-shift allowance for the hotels; and free uniforms for the manufacturers.

Notably, the more substantial negotiated issues in terms of quality and amount of benefits are more frequently found in the CBAs of big corporations in the banking, hotel, and manufacturing industries. By and large, the contents of the CBAs are more on the economic provisions rather than on the political issues. This fact confirms the rice-and-fish theory of Ofreneo (1993) about unions in the Philippines.

Union Organizational Effectiveness Profile

Achievement of union objectives. The survey results reveal that the overall (mean) rating on the attainment of union objectives is “very effective” (3.57). “Very effective” ratings were also given by the union members to the hotel (3.76) and manufacturing (3.59) unions. However, bank union members rated their unions only “average” (3.34) in the achievement of their union objectives. The ANOVA results show that there is a significant difference ($F = 13.247$; $p\text{-value} = .0000293$) in the mean ratings of the members across industries. Several factors were identified by some union members to be helping in the fulfillment of the above-cited objectives.

The top five facilitating factors in the achievement of union objectives that were stated were (1) the unity of members; (2) leadership of officers; (3) education of members to increase their awareness; (4) unity and cooperation of officers and members; and (5) substantial CBA provisions.

On the other hand, a number of hindering factors were cited. One is that the present system of the government (i.e., under the labor law) is not favorable to the workers and there is corruption at the DOLE. The other barriers are management efforts to bust the union, poor economy or economic instability, and different views of each member.

It can be gleaned from the members’ responses that they generally recognize that the unions are fulfilling to a very high degree its avowed aims for the workers’ protection and the upliftment of their working conditions. The unionists’

acknowledgement of such high level of achievement is based on the concrete internal facilitating factors mentioned above. Interestingly, the members’ claimed barriers for the lower level of the achievement of union objectives is pinpointed at intervening variables, like the government system of labor laws not being favorable to workers (this comes from those in the manufacturing industry) and the country’s poor economy or economic instability (this is expressed by hotel workers). Moreover, factors such as the management’s efforts to bust the union and the practice of union raiding by other federations are likewise situations external to union administration, but are seen by members as affecting the level of achievement of their union objectives. These are also worsened by the members’ shortcomings, such as cowardice, disunity, lack of enthusiasm, crab mentality, and hidden agenda.

The unionists’ ability to identify the factors that facilitate or hinder the fulfillment of the union’s aims is an indication that they are aware of what is happening in their organization and that it is possible to mobilize them to action to help the union (Macalinao, 1981).

Adequacy of implemented activities per program. The 772 respondents surveyed gave an overall (mean) rating on the adequacy of implemented activities per program of “very effective” (3.54). The union members of the hotel labor organizations gave a “very satisfactory” score (3.88). The same is true for the members of the manufacturing sector unions (3.52). However, the bank unions were only rated “satisfactory” (3.31) by their constituents. The ANOVA test revealed that there is a significant difference across industries ($F = 5539.669$; $p\text{-value} = .000000$) in the mean rating of the adequacy of implemented activities.

Asked about the facilitating factors for the adequacy of such programs extended to members, the common reasons cited by the respondents were well-planned programs and clear policies for the benefit of all members (38%), effective performance of each committee’s duties (17%), and unity and cooperation of all members and

leaders of the union (13%). The members also offered hindering factors on the level of adequacy of the implemented activities per program. These include the unions' lack of funds to implement the programs (30%), the lack of interest of some members (24%), and poor leadership (14%).

The workers' perception of the adequacy of the implemented activities per program implies that they receive a sufficient amount of benefits and services that they expected to be provided by the union. This is further proven by the package of economic benefits (like wage increases, premium pay, leave benefits, hospitalization, health services, and insurance) and non-economic benefits (such as job security, workers' education, recreational activities, reduction of work monotony, and support to union activities) that are negotiated in the CBAs. In this regard, CBAs in banks and hotels generally provide higher and better economic and political benefits than those of their counterpart unions in the manufacturing sector (Edralin, 2003).

Another possible basis for the very effective rating of members in this domain is the continuing effort of many local unions, with the assistance of the federation (if they are affiliated), to recruit new members and conduct regular education programs to increase members' awareness about their rights and what the union has done for them. Members who were assisted in their cases in a timely manner by the union, and got a favorable decision on the grievance case they filed against management, looked at the union's performance on a highly positive level.

What is noteworthy is the major role of proper planning, effective performance by the committee of its duties, and the cooperation of the members and leaders who are the beneficiaries of such services. The adequate implementation of the activities per program also emanates from the good amount and wide scope of planning and the division of work that the officers undertake prior to the implementation of any activities. Specifically, unions now regularly conduct annual evaluation and planning meetings/workshops to ensure that priority activities are identified and provided for the members' welfare. Implicitly, the officers are

in touch with what the union members need in order to protect their rights and improve their terms and condition of employment. These needs are translated into achievable objectives and their specific programs are designed annually to respond to such needs. However, if funds are not sufficient and members lose interest in the union activities, the level of performance of the union also decreases.

It seems that across industries, the same pattern of having competent leaders who are able to plan well and systematically implement the program of action and activities is a key factor in facilitating the level of adequacy of program implementation. This fact affirms the position of Cacdac (2004) and Jose (2002) that appropriate structures within the union must be instituted to adequately perform its roles.

Compliance with the duties and obligations expected of members. The average rating of all the trade unionists across the three industries on their compliance with their duties and obligations is "very effective" (3.77). The banking and manufacturing sectors garnered a "very effective" rating of 3.76, while the hotel unions were also rated "very effective" with a slightly higher grade of 3.84. However, the ANOVA results indicate that there is no significant difference ($F = 0.643$; $p\text{-value} = .5309390$) in the mean ratings in this domain across industry classifications.

The five most frequently given factors that facilitate the level of compliance are (1) education of members about their duties and obligations; (2) active participation of union members; (3) eagerness to support the union; (4) belief in the objectives of the union; and (5) trust and confidence of members. On the other hand, the barriers that some members mentioned were some uncooperative members, the lack of information given to update members on union matters, conflict of work schedule with union activities, and personal/family members being of higher priority to some members rather than the affairs of the union.

These facts show the members' high level of compliance and involvement in union activities, like attendance in meetings, participation in education activities required by the union (e.g., basic

membership orientation of member, gender-related seminar, forum on globalization, and grievance handling training), and exercising their right to vote in any union election, plebiscite, or referendum (e.g., officers election and CBA). It is not surprising to find that there is a high level of compliance with their obligations like payment of union dues and other financial support to the union and their fellow members, not only because their CBAs clearly stipulates a check-off system of deduction. This provision only allows the regular deduction of union dues and other amounts due and their efficient remittance to the union.

Apparently, across the three industries, union members' level of compliance with their duties is either facilitated or hindered by the adequacy of information extended to members to orient them on their duties or to update them on union matters where their active participation is needed. This matter is where the role of education of members becomes very crucial. When members are properly informed about their situation and what is happening to the union, the firm, and the society, it is easier for members to act because their level of awareness is heightened and they can be mobilized. Similarly, the effective enforcement of the provisions of the union constitution and by-laws so that non-compliant members are penalized, is suggestive of the extent of the determination of the union officers in enforcing union policies. The presence of good union cooperation and the high-level commitment that members possess are also internal motivators to comply. The case of the Metropolitan Bank and Trust Co. Employees Union-ALU-TUCP is an example of union effectiveness on the compliance with the duties and obligations expected of members.

Union cohesiveness. Overall, the trade unionists' (mean) rating of their union's cohesiveness is "very effective" (3.78). The hotel unions have the highest average degree of union cohesiveness (4.12), followed by the manufacturing sector unions (3.74), and then by the bank unions (3.60). The ANOVA results show that there is a significant difference ($F = 15.718$;

$p\text{-value} = .0000097$) in the mean ratings on union cohesiveness across the industries.

The respondents identified many factors that facilitated in the unions' cohesiveness. The top three factors are (1) effective union leaders (20%); (2) camaraderie among members (20%); and (3) most members wanting to remain members of the union (19%). Union cohesiveness, on the other hand, is hindered by a number of factors. The top three reasons are (1) individual personal agenda/interests of officers (19%); (2) lack of interest of the union members (15%), and (3) crab mentality of members (11%).

The information reported by the union members suggests that the unionists in their respective chapters/locals are highly cohesive as evidenced by the fact that most members want to remain union members and that they feel a sense of camaraderie with their fellow members. By the same token, many members feel involved in what is happening in the union and look forward to coming to or attending union activities (e.g., general membership assembly meetings, union socials, athletic intramurals, and seminars).

The facilitating factors should be enhanced while the hindering factors should be immediately addressed by the union officers. If these and other restraining factors of union cohesiveness are left unattended, it can possibly lead to incidences of conflicts between and among members and officers, low level of participation in union activities, and persistence of crab mentality in the organization. The case of the Standard Chartered Bank Employees Union is an example of the effect of union effectiveness on union cohesiveness.

Satisfaction of members. Concerning the satisfaction of members on the seven organizational components, the unionists' responses revealed an overall (mean) rating of "very effective" (3.64). Unions in the hotel sector tend to get a higher score (4.08), while unions in the manufacturing (3.58) and banking (3.45) sectors were rated lower. The ANOVA results pinpointed that there is a significant difference ($F = 22.298$; $p\text{-value} = .0000010$) in the mean ratings on satisfaction of members across industries.

According to the respondents, their satisfaction are rooted on effective union leaders (38%), adequate/better CBA benefits (35%), and implemented programs of the unions (9%). The hindering factors, on the other hand, were the lack of cooperation of the employer (23%), personal inadequacies of leaders (18%), and lack of communication/dissemination of information among members (14%).

An interesting outcome could be highlighted from the rating that members gave on the seven union organizational components. The “very effective” score is an indication that, as a whole, the unions’ performance using the seven criteria is highly effective. It means that the unions across the three industries are performing their expected functions as perceived by the members. The members obviously attribute their high level of satisfaction on the effectiveness of their officers as leaders and the better benefits they get from their CBA. Conversely, if leaders are incompetent and minimal benefits are gotten from the CBA, they see these as the restraining factors, among others, to their satisfaction with the union’s performance. Moreover, the results imply that over the years, the unions in the three industries have performed well in their bargaining function regarding wages and working conditions, as well as in their function of representing workers’ interests in various activities and for both at the firm and national levels. This result affirms the views of Freeman (1980) and Freeman and Medoff (1984) on the two familiar roles of unions. The case of the China Banking Corporation Employees Association is an example of the impact of union effectiveness on members’ satisfaction.

Determinants of Union Performance

Using the stepwise regression analysis, the five performance indicators of union organizational effectiveness were regressed with the three context and five structure factors as independent variables.

Achievement of union objectives. Of the eight independent variables, (three for context

factors and five for structure factors), only the *type of ownership* and *type of industry* (i.e., hotel sector) were found to be significant explanatory variables of the achievement of union objectives across the three industries.

Aside from type of ownership, affiliation with a federation turned out to be a good predictor of the achievement of union objectives in the banking sector. In the hotel industry, the combination of leadership coaching style, number of years of union membership, and affiliation with a federation were the significant determinants of such performance. However, the type of ownership is the sole best explanatory variables of achievement of union objectives in the manufacturing industry.

It is evident from the statistical analysis that the achievement of union objectives depends on the combination of a context factor (type of ownership) and a structure factor (affiliation with a federation). This situation means that Filipino-owned companies, which are unionized, have learned to recognize, respect, and cooperate with the union, and give in to some of the union demands through their CBA negotiations, compared with non-Filipino-owned enterprises. Such gestures have substantially affected the level of union effectiveness in the fulfillment of its objectives. Similarly, the significant influence of union affiliation with a federation reveals that such condition is more beneficial to the local union and its membership in general. This shows that the federation is, so far, doing its function of providing assistance to its local chapter members in terms of education and training, legal assistance (especially in the handling of grievance and arbitration cases filed at the DOLE), and negotiations of their CBAs. Hence, members’ expectations from the federation are high and union national officers have to work doubly hard to maintain their very effective rating, good credibility, and effective service to the grass-roots members (Macalinao, 1981). Given this two-tier level of structure for federated unions, it is very important that democratic principles are observed and top leaders at the federation/national centers do not simply dictate to the local chapter what they need to do, but the local grassroots members must be consulted on the future of their own union.

Adequacy of implemented activities. The findings illustrate that three out of eight variables are significant determinants of members' high assessment of the adequacy of implemented activities of the unions in all industries. Of the three variables, *type of industry (hotel sector)* emerged to be the top factor, the *number of years as union member* came second, and again *type of industry (manufacturing sector)* came third.

The type of ownership and affiliation with a federation appeared to be the best predictors of the adequacy of implemented activities of the unions in the banking sector. In the hotel industry unions, the aggregate of coaching leadership style, number of years of union membership, and type of ownership were the significant context-and-structure factors for this indicator of organizational effectiveness. Coaching leadership style and affiliation with a federation are the meaningful variables that influence the adequacy activities of unions in the manufacturing industry.

The results imply that members are very satisfied with the adequacy of implemented activities, maybe because the hotel or manufacturing industries where their union and company belong are highly unionized industries. As of July 2004, there are 10,359 hotel workers and 40,784 manufacturing workers in the NCR who are members of unions, according to the records of the DOLE in the NCR. Many of these union members come from big firms in their respective industries. As such, the unions, especially those that are affiliated with a federation, have the power to set certain standards in terms of economic and political benefits that they get through their CBAs. All these benefits redound to the protection and welfare of individual members and the union as an organization. Moreover, the number of years of union membership as a significant predictor indicates that workers who have been members for a longer duration tend to rate the performance of the union on a higher level. This high rating is possibly explained by the reality that, over the years, they have witnessed and experienced (especially those who have been members from the time the union started to operate) how the union, with their active

participation, had worked so hard to improve the quality, scope, and coverage of the program of action and activities implemented related to collective bargaining, general membership welfare, workers' defense, fellowship, economic development, education, research and communication, and organizing. They have also seen where their union dues have been spent and the extent of the benefits that have come back to them as members of the union. The numbers of years as a union member is an indicator of loyalty to the union. If member loyalty can be sustained and even heightened, it will be very easy to mobilize members to action.

Compliance with the duties and obligations expected of members. The *type of ownership* and *number of years as union member* proved to be the significant determinants of members' compliance with their duties and expected obligations across the three industries.

Aside from type of ownership, affiliation with a federation appeared to be a good predictor of members' compliance with their duties and obligations to their union in the manufacturing sector. There are three determinant factors that are manifested in the bank industry unions. These are (1) type of ownership; (2) supporting leadership style; and (3) number of years as union member. In the hotel industry unions, four out of eight predictors came out to be significant. These are (1) number of union members; (2) coaching leadership style; (3) number of years of union existence; and (4) affiliation with a federation.

The stepwise regression results, as a whole, demonstrate that the type of ownership of the firm and number of years as union member again turned out to be good predictors of union organizational performance. This pattern illustrates that unionized Filipino-owned companies located in the NCR and those with members who joined the union a long time ago are important factors in ensuring a high level of compliance of member with their duties and obligations in their organization, such as attendance and active participation in education activities/meetings, payment of union dues and

other required fees, and abiding by the principles, objectives, and rules of the union.

Union cohesiveness. Three variables emerged to be important determinants of union cohesiveness in all the industries. These determinants are (1) *type of ownership*; (2) *type of industry (hotel)*; and (3) *number of years as union member*.

The type of ownership, number of union members, and supporting leadership style are the best determinants of union cohesiveness in the bank industry. In the hotel sector, only coaching leadership style and affiliation with a federation turned out to be significant. In the manufacturing industry, type of ownership and number of years as union are the only significant factors of organizational performance.

The data suggest that the high level of organizational effectiveness and union cohesiveness are largely dependent on two context factors (type of ownership and type of industry – hotel) and a structure factor (number of years as a union member). This means that unions that are located in Filipino-owned companies belonging to the hotel industry, and that has many long-standing members tend to be more effective than other unions that do not have similar characteristics.

Concretely, many union members in these organizations want to remain as members of their unions for as long as the unions exist, feel involved in what is happening in the union, feel part of the union, look forward to attending the union activities, and consider that a feeling of unity exists in the union in spite of individual differences.

Satisfaction of members. Across the three industries, four out of eight variables came out as significant determinants of effective union performance using satisfaction of members as an indicator. These variables are (1) *type of industry (hotel)*; (2) *number of union members*; (3) *number of years as union member*; and (4) *type of ownership*.

Type of industry, type of ownership, number of union members, and affiliation with a federation emerged as the best predictors of effective union

performance using satisfaction of members as indicator in the bank industry unions. In the hotel industry, the combination of directing leadership style, affiliation with a federation, number of years as a union member, and number of union members proved to be the good predictors. Coaching leadership style is the sole predictor of satisfaction of members in the manufacturing sector.

Again, the stepwise regression analysis results reveal that all the three context factors (type of industry – hotel, number of union members, type of ownership) and one structure factor (number of years as union member) are strong determinants of satisfaction of members on the organizational components, such as functioning of the different union committees and governing organs (e.g., general membership assembly, executive board, council), allocation and usage of union funds for its different programs and activities, performance of the duties and functions of the officers/leaders, and relevance and timeliness of the services provided to the members of the union. The significant influence of the four independent variables on the level of members' satisfaction on the unions' performance indicate that more effective unions are found in the hotel industry, have many members, found in companies owned by Filipinos, and have many workers that have been members of the union for a long time. Therefore, it is necessary for the unions to ensure its continued effective existence to strengthen its organizing, education, and recruitment efforts in the hotel industry and firms owned by Filipinos. These courses of action will expand membership.

Overall effectiveness. Only three context factors (type of ownership, type of industry – hotel, number of union members) and a structure factor (number of years as union member) appeared to be the best combination of predictors of the overall performance indicators of union effectiveness across the three industries.

The type of ownership and affiliation with a federation are the important determinants of overall effectiveness of the unions belonging to the bank industry. In the hotel sector, four predictors came

out to be significant. These are (1) coaching leadership style; (2) number of years as union member; (3) affiliation with a federation; and (4) number of union members. In the manufacturing group, the determinants of the overall union effectiveness are type of ownership, coaching leadership style, and affiliation with a federation.

An overall analysis shows that there are four common significant independent variables that influence the effectiveness of the local unions located in the NCR. These are (1) type of ownership; (2) type of industry (hotel); (3) number of years as union member; and (4) number of union members. These data are strong reiterations to the fact that unions are rated less effective if they are in firms that are foreign-owned and whose industry is either manufacturing or banking, where many members are relatively new, and the number of union members is small. This means that a greater challenge is posed to union leaders/officers, both of federated and independent local office, in the manufacturing and banking sectors and those owned by non-Filipinos to exert more effort in organizing and recruiting members, as well as in continuing education to increase members' awareness of their duties and obligations and workers' rights. There is also a need for the officers to ensure that better benefits are negotiated in the CBA, and relevant services are given to members on time to increase membership and maintain the loyalty and commitment of the members to the union for a long time. It is also important that the union officers and members work together in ensuring that government laws on labor relations and employment will truly protect workers' rights and rights of the union as an organization of working people in order to prevent the union weakening through decreasing number of regular employees in the firm brought about by the negative effects of globalization such as subcontracting part-time work and retrenchment of the workforce.

CONCLUSION

The overall level of organizational effectiveness of unions across the three industries rating given by members is "very effective". Across industries,

there is a *significant difference* in the overall ratings on the effectiveness of the unions based on the combined results. The hotel unions garnered the highest average score, followed by the manufacturing, and then the bank unions.

Overall, the unions' rating is highest in their union cohesiveness, and lowest in the adequacy of implemented activities. There are significant differences in the average ratings on the individual performance indicators of union effectiveness, except for the indicator on compliance with the duties and obligations expected of members.

Overall, the combination of type of ownership (i.e., being Filipino-owned), type of industry (i.e., hotel industry), and the number of union members as context factors are the significant determinants of the overall level of effectiveness of unions across the three industries. The number of years as union members is the sole structure factor that is significant. In the banking sector, type of ownership (context factor) and affiliation with a federation (structure factor) are the best determinants of the overall performance of the unions. In the hotel industry, the combination of coaching leadership style (structure factor), number of years as union member (structure factor), affiliation with a federation (structure factor), and number of union members (context factor) are the significant predictors. In the manufacturing industry, the combination of type of ownership (context factor), coaching leadership style (structure factor), and affiliation with a federation (structure) are the significant determinants of the unions' overall effectiveness.

RECOMMENDATIONS

Based on the findings, the following recommendations are proposed to ensure that unions' effectiveness will substantially increase over the years. These will enable them to continue protecting the workers' rights and representing them in collective bargaining negotiations with employers for increased wages, better benefits, and improved working conditions.

In terms of *union organizing and recruitment*, there should be (1) intensification of union organizing by the existing federations in the different industries; (2) strengthening of the “extension work services” of the federation/national union; (3) building of alliances of unions; (4) the allowing of workers who are retrenched or resigned to join the labor movement as members of quasi-unions; (5) the use of the mass media approach in promoting union membership; and (6) forging of strategic alliances with management.

In terms of *tripartism and social dialogue*, there should be (1) the institution of three-tiered collective bargaining; (2) strengthening and broadening of representation of workers; and (3) enhancing efforts to forge policy decision consensus among social partners in the regional, industrial, and national levels.

In terms of capacity building, there should be (1) an increase of the financial and human resources at the DOLE’s disposal; (2) the design of technical cooperation projects for external funding for unions; (3) the conduct of workers’ education; and (4) the strengthening of the unions’ internal structure.

Finally, in terms of strengthening collective bargaining, there should be (1) the upholding of the right to self-organization; (2) the prohibition of unfair labor practices; and (3) emphasis on a framework of workplace democracy and cooperation.

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Appendix

A Brief on the Philippine Trade Union Movement

The Philippines, since the inception of the Filipino labor movement in 1889, has experienced failures and successes, ambivalence and intermittence. But the quest for organizational viability, firm leadership, committed following, and the most effective approach to the pursuit of goals and objectives have provided a sense of continuity and consistency to the Filipino labor movement (Ramos, 1990). Philippine trade unionism has flourished under conditions of economic underdevelopment, massive widespread poverty, and intensifying repression (Dejillas, 1994).

Moreover, the Philippine labor movement's pattern of growth and development, according to Ramos (1990), may be broadly classified into distinct patterns, namely, a relatively *politicized phase* during the first half-century up to about 1950, a more or less *economic-oriented movement* from 1951 to 1972, followed by a period of a great deal of quiescence up to 1978, and then strong agitation for the resurgence of political unionism. Concomitantly, during this period up to 1990, Dejillas (1994) indicated that various types of unionism emerged: (1) revolutionary, (2) economic, (3) moralist and ethnical, (4) democratic and political, and (5) protective or defensive. Union tendencies, as further pointed out by Dejillas (1994) were precipitated by several social developments. Such developments include: the expansion of the Communist Party of the Philippines right after World War II and its reemergence in Maoist form in 1968; government attempts to control the entire labor movement during the 1950s and again during the martial-law years; the arrival of the U.S. mission headed by Daniel Bell in 1950, which led to the passage of the industrial relations law in 1953; the direct involvement of the Society of Jesus in the 1940s in building a just social order, and the emergence of various Christian social movements thereafter; and the active involvement in the 1970s of the social-democratic and democratic-socialist reformers that

eventually led to the formation of the *Partido Demokratiko-Sosyalista ng Pilipinas*. All these factors have had a lasting effect on the character of trade unions.

Similarly, Ofreneo (1993) revealed that the involvement of organized labor in the struggles for trade union rights and social advancement dates back to the turn of the 20th century. Basically, these struggles are classified into three types of unionism: economic, political, and ideological. *Economic unionism* or rice-and-fish unionism deals with the immediate economic demands of labor, such as higher wages, shorter hours of works, longer leaves, and more bonuses. *Political unionism* is focused on the assertion of labor's right to have a say, not only in the management of the firm and industry, but also of the larger society. *Ideological unionism* is closely related to political unionism. It says that labor's involvement in the political and economic affairs of a country must be based on some politico-ideological perspective or philosophy of life or set of beliefs.

Similar to Ramos' and Dejillas' perspectives on the emergence and development of the Philippine labor movement, Ofreneo (1993) believes that the history of the trade union movement has gone through various stages of ups and downs. These phases are: (1) The First Unions; A Legacy of Militance; (2) The Change in American Labor Policy; (3) The Revival of Political Unionism; (4) Quezon's Social Justice Program; (5) The CLO Years: 1945-1950; (6) The Shift to Rice-and-Fish Unionism; (7) The Nationalist Movement and the Labor Unity Efforts; (8) Martial Law and the Labor Movement; (9) Labor and the Collapse of Authoritarianism; and (10) Labor under the Aquino Administration. In those years, the labor union movement, in spite of its colorful and zig-zagging history of gains and losses, has won for itself and the Filipino working people numerous rights, which were enacted into laws only after an uphill fight by the unions.

Structurally, the Filipino labor movement shows two major distinctive tiers of organization, with their respective functions and commitments. The federations/national centers take care of political and international representations, while the local unions primarily deal with the day-to-day problems of the workers in the plant (Ramos, 1990). It is at the local union level where trade-union functions are expected and seen at work, like collective bargaining negotiation, union meetings, grievance handling, social and welfare benefit/aid, and so forth. By the same token, based on his investigation on the way structures are utilized by the labor unions, Dejillas (1994) observes that there will be a strong tendency for the leadership to use union structures more as channels for handing down organizational policies and positions (which the leaders would, in the first place, set for themselves), than as instruments for making truly operative and functional the ideals of trade-union democracy. This observation is also supported by the study of Kerkvliet (1992) where the early history of organized labor in Manila showed a trend of repeated attempts by a few labor leaders who wanted paid organizations to promote the welfare of workers, but the federations fell far short of their aspiration to be a sturdy, protective umbrella for labor unions like the *Congreso Obrero de Filipinas* (COF) and the *Katipunan ng mga Anak-Pawis sa Pilipinas* (KAP). Corollary, it is averred that labor federations neither wish to assist labor unions in their day-to-day problems nor have adequate staff members to attend to the needs of the local affiliates (Ramos, 1990). Ofreneo (1995) presents the four most important reasons for the weakness of the Philippine trade union movement. The reasons are (1) the labor has been the object of repressive labor laws in the 1900s, 1930s, and 1970s; (2) there is a long history of divisions plaguing the ranks of the trade union movement; (3) the economy has not been favorable to the trade union environment; and (4) trade union groups, whether of the left, right, or even the centrist tendency, have failed to make the necessary organizational adjustments in keeping with the challenges in the economic and political environment.

In a more recent study, Fashoyin (2003) confirmed that the labor movement in the country is faced with the problem of multiplicity of organizations and fragmentation. Unions are seen from several ideological positions – left, right, and center. Fashoyin further reveals that for economic and operational reasons, most trade unions have confined their organizational efforts to large- and medium-sized enterprises, which account for only four percent of all registered firms in the country. He also says that if people accept that the key criterion for assessing the strength for a trade union organization is the extent of its role in collective bargaining, the prominence of the union at the enterprise level gives union leadership at this level real influence in wage determination.

In the case of the Philippine experience, the history of the trade union movement in the country represents the chronology of struggle for the Filipino working people's emancipation; recognition of their human, democratic, workers' and trade union rights; and improvement of their working and living conditions. After more than a hundred years of continuing struggle, the Philippine trade union movement has enabled workers at the company level to gain certain means (e.g., collective bargaining) and weapons (e.g., strikes) to secure better income, protect jobs, and improve working conditions. At the national level, the trade union movement has significantly contributed in molding the Philippine economic-political-cultural areas through active participation in national issues, political lobbying, and concerted actions that affect the life of the people (Edralin, 2003).

However, the course of the more than hundred years' Philippine unionism, by and large, is divided along ideological orientation and political lines, with patriarchal and legalistic leadership (Calderon, 1993). Recent data (April 2009) indicate that the labor force in the Philippines is 37.82 million. Of this number, only 34.99 million (92.5%) are employed (http://www.bles.dole.gov.ph/LABSTAT/vol13_8.pdf). There are 15,784 existing unions representing 1,604,364 workers. Many of the unions belong to the 10 labor centers, two industry unions, and 131 federations registered

with the Department of Labor and Employment (DOLE). However, only about 227,000 (9%) unionized workers are covered by 1,469 CBAs (<http://www.blr.dole.gov.ph/stats.html>). This fact shows that the bulk of Filipino workers are not union members and even a greater number are not covered by any collective bargaining agreement (Cacdac, 2004). They do not even comprise 1% of the almost 37 million Filipinos who belong to the labor force.

Furthermore, there are 16,891 worker associations which either complement or exist in place of unions, with a total membership of about 630,000 workers. They have 129 collective negotiation agreements (CNAs) on record covering 29,000 workers (<http://www.blr.dole.gov.ph/stats.html>).

The most highly unionized sectors are health and social work and manufacturing. The hotel industry and the financial intermediation industry are also relatively highly unionized compared to the other sectors such as the agriculture and wholesale and retail industries (http://www.bles.dole.gov.ph/LABSTAT/vol13_6.pdf).

The labor movement in the Philippines has never concerned itself with the plight of those not employed in private establishments and outside the coverage of existing labor legislation. But the informal sector actually comprises the bulk of the labor force, covering a plethora of activities and economic relations, and typically include the unemployed, the self-employed (practicing a profession or running a family business), paid workers in informal enterprises, unpaid workers in family businesses, casual workers without fixed employers, and sub-contract workers in both formal and informal enterprises (Panao, 2009).

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