

Palace decision on four-day workweek due Monday

OPINION

Things to do before going beyond the minimum wage

I'm the human resource (HR) manager of a factory with around 250 directly-hired minimum wage earners. Our attrition rate is 30%, which keeps us busy recruiting, onboarding and training on a daily basis. I'm planning to recommend to top management to increase wages to help address the high turnover rate. What are your thoughts on this? — Blue Lagoon.

Prejudice is a great time saver. It allows opinions to form without having to know the facts. So where are your facts and figures? "In God we trust, but everyone else must bring data," according to pioneering American management consultant W. Edwards Deming (1900-1993). What's your basis for proposing a salary increase? Do you have enough evidence to convince management about your recommendation? Have you performed objective exit interviews or conducted an employee morale survey to prove your contention that wages are an issue?

If you have nothing to back it up, then making such a recommendation might leave you on thin ice.

IN THE WORKPLACE REY ELBO

ELBONOMICS: The difference between paying low and high is respect for people.

The strategy for employee retention must be accompanied by serious thought. Begin with a proactive two-way communication process, led by qualified line executives. Even if HR mandates regular dialogue, the result may not be effective if your supervisors and managers are not qualified. Even if they're qualified, they may be reluctant to do it.

We can't discount the fact that line executives are the first line of defense for management. They should be the ones to know the issues and solve them before they can be escalated to HR and top management. They must constantly have their finger on the pulse of workplace relations. They know which workers are habitually tardy or absent, which are some of the most common manifestations of low morale.

Paying the minimum wage and statutory benefits to people is more than an economic discussion. There's more to it than meets the eye.

ROADMAP

The effect of salary on employee loyalty and motivation is one of the most studied subjects in HR. Even in the absence of a study, many of us might be tempted to default to the conclusion that wages are the main reason for people leaving. I can't blame you for thinking that or for wanting to go beyond minimum wage.

You'll need a careful and exhaustive study before increasing wages. Some principles to remember are that money should be tied to worker qualifications and consistent high performance, in alignment with organizational goals. Try resolving your issues using the following roadmap:

One, establish a two-way employee communication process. This includes annual employee opinion surveys, periodic engagement dialogues by line executives and their workers, town hall meetings by the chief executive officer, labor-management cooperation schemes, and many more. Of all these, I'm biased in favor of the survey because it documents the opinions of all workers, and not just the complaints of few disgruntled individuals who may have already resigned, or are well on their way to doing so.

Two, focus and solve the most common employee gripes. The survey can give you an idea on which issues should be priorities. Complaints could include poor supervision, inadequate facilities, unsafe work conditions, unclear job expectations, unreasonable production targets, unfair labor practices, and others. Of course, salary and benefits could well be the reason for your high turnover rate. Whatever other issues may emerge, there is no getting around establishing a reasonable pay structure.

Three, define the most important jobs in the organization. A clear job description is a must for setting recruiting plans, evaluating job processes, managing performance and determining training needs. Job descriptions come in many shapes and sizes depending on the nature of the business. For a factory worker, a simple and clearly-worded job description will suffice, while the job description for supervisors and managers, must necessarily cover more bases.

Last, benchmark the salaries of key jobs with the pay scale in other companies. The ideal approach is to compare your salary practices with competitors. If you're encountering difficulty securing cooperation from your rivals, then another approach is to benchmark with other companies located within the same locality or geographical area, such as fellow locators in export processing zones. If workers leave your factory, it's likely that they will join your competitors or companies within the same area.

PAY PHILOSOPHY

Pricing jobs that are over and beyond the minimum wage rates is complex, but we can't deny its importance in attracting and retaining workers. You must gather data to help you understand worker motivations, which may not be limited to achieving a pay scale that's more than the minimum wage.

Developing an objective and competitive pay philosophy is needed to reduce attrition, but is not the end-all as workers could be leaving for other reasons.

If you conduct a thorough study that supports increasing pay of the minimum-wage earners over and above what the government requires, it would be easy to start the process of proposing higher wages. Remember that completing the roadmap that I've recommended above takes time.

Whatever you're planning, feel the pulse of your top management before doing anything. Otherwise, all of your plans may be all for nothing.

Have a chat with REY ELBO via Facebook, LinkedIn or Twitter or send your workplace questions to elbonomics@gmail.com or via <https://reyelbo.consulting>



By Kyle Aristophere T. Atienza
Reporter

PRESIDENT Rodrigo R. Duterte will announce his decision on the proposed four-day workweek on March 21, the Palace spokesman said on Thursday.

"We will know the decision on Monday," the President's acting spokesman Jose Ruperto Martin M. Andanan told DZBB radio, according to a transcript issued by the Office of the President.

Mr. Andanan said the President will likely follow the recommendations of his economic managers.

"The important thing is that President Duterte told (Finance Secretary Carlos G. Dominguez III) ... after the Secretary gave his recommendation, that whatever decision the economic cluster will make is our policy because that is their forte," Mr. Andanan said.

Socioeconomic Planning Secretary Karl Kendrick T. Chua recently proposed a four-day workweek to help businesses cut costs and insulate workers from rising fuel prices.

A similar four-day week was implemented in 2008 when fuel prices were also high, Mr. Chua told Mr. Duterte late Tuesday.

The proposal requires workers to render 40 hours of work per week over four 10-hour days, Mr. Chua said at the Tuesday meeting.

Employers may implement such shortened weeks even without a new law or department order, the Labor department said on Wednesday.

Meanwhile, Labor Undersecretary Benjo Santos M. Benavidez said the government "can only encourage, not obligate the private sector to adopt four-day workweeks."

"We can appeal to the private sector to implement (it) because again, it's management prerogative, they have to decide on this and it's within their sole jurisdiction," he told ABS-CBN News Channel.

He said the labor code "does not (prescribe) the minimum number of working days in a week."

In a statement, the Trade Union Council of the Philippines (TUCP) reminded the government and private sector that the proposed compressed workweek would require the consent of workers "because it means setting aside the eight-hour workday."

"Workers are supposed to have eight hours of work, eight hours of sleep, and eight hours with their families. Only workers can waive the right to an eight-hour workday," it said.

"Workers must therefore be consulted regarding the compressed workweek. Workers will also have to voluntarily agree to the proposal. The agreement must be (put in) writing, and the agreement must be submitted to (the Department of Labor and Employment) to ensure monitoring and no management abuse."

The TUCP said any flexible work arrangements must not result in the diminution of wages and benefits. "Workers' salary during the four-day compressed work week is equivalent to the salary for five or six days of work. Also, work beyond eight hours a day must be compensated with overtime pay."

The TUCP also warned that there might be an increase in healthcare concerns once the proposal is enforced.

"We remind the proponent both the National Economic and Development Authority (NEDA) and the Department of Energy (DoE), that while this is a proposal to economize by lessening consumption, it will not result in the lowering of the price of petroleum products nor will it bring down the costs of goods and services," it said.

Fuel retailers on Tuesday raised gasoline and diesel prices by P7.10 and P13.15 per liter, respectively. Mr. Duterte has rejected calls to suspend the excise tax on fuel products.

Australian unemployment drops to 4% in boost for rate hawks

AUSTRALIA'S jobless rate fell to a 13-1/2 year low as the economy added more jobs than expected last month, in a result that's likely to embolden hawks who are predicting an interest-rate increase as early as June.

Unemployment declined to 4% in February, the lowest level since August 2008, Australian Bureau of Statistics data showed on Thursday. Employment rose by 77,400 from a month earlier, led by full-time roles, and more than doubled economists' estimates. Labor market participation also moved higher.

"Participation rose to a new record high in February and was around 0.6

percentage points higher than the start of the pandemic," Bjorn Jarvis, head of labor statistics at the ABS, said in a statement. "The increase in participation continues to be particularly pronounced for women."

The Australian dollar pushed higher to break above 73 US cents following the data. It was trading at 73.18 cents at 11:58 a.m. in Sydney. The three-year bond yield was little changed at 1.87%, having climbed 6 basis points earlier.

The result suggests the Reserve Bank is likely to soon see the wage rises it wants before raising rates, with leading

indicators pointing to the labor market tightening further. Money markets are pricing an RBA hike in June, while most economists have settled on August for rate liftoff.

Job ads data released last week showed construction and mining, mobile plant operators, animal and horticulture, education and healthcare are facing the sharpest labor squeeze at the moment.

RBA Governor Philip Lowe says policy makers can wait longer before raising rates as inflation Down Under isn't as pressing as in other jurisdictions. He's testing to see how far he can drive

down the jobless rate with a record-low 0.1% cash rate before wages growth takes off.

His stance contrasts with the Federal Reserve, which raised interest rates for the first time since 2018 on Wednesday, a week after the European Central Bank delivered a hawkish surprise. — Bloomberg

FULL STORY

Read the full story by scanning the QR code with your smartphone or by typing the link bit.ly/Australia031822

China finds way for 'COVID Zero' while keeping factories open

JUST DAYS into a COVID-19 lockdown that bars residents of Shenzhen from leaving their homes, China is allowing some companies to restart factories in the tech hub in a move that may provide a blueprint for shielding the economy and supply chains from the country's virus fight.

iPhone maker Foxconn Technology Group is the most prominent, allowed to partially resume its operations in Shenzhen on Wednesday by deploying a so-called closed loop system. Workers are ferried from their company-run dormitory to the factory and back, subject to regular COVID testing and checks. Zhen Ding Technology Holding Ltd., a Taiwanese maker of printed circuit boards, is also operating a closed loop at its plant, along with a medical device company manufacturing essential goods that didn't want to be named.

The system — which effectively puts factory workers in a bubble, insulated from outside infection — is also being used in nearby Dongguan, a manufacturing center that pumps out shoes, toys and textiles for export around the globe, but has restrictions in place to quell a virus outbreak, as well. On Thursday, a Shenzhen government official said factories will gradually be able to resume production in an "orderly manner."

With economists increasingly warning about the hit to the world's second-largest economy from lockdowns and other aspects of China's COVID Zero strategy, such systems could help keep the engines of growth running while other curbs remain in place.

Plunged into a snap lockdown on Sunday as infections climbed, Shenzhen's restaurants and subway are closed, its 17.5 million residents unable to leave the city limits for non-essential reasons. Whole neighborhoods are being sent to isolation sites under China's policy of quarantining every COVID case. By deploying factory bubbles, the economic impact will be "significantly less," said Paul Donovan, UBS's global chief economist.

"The problem is that people hear 'lockdown' and instinctively think of what happened in 2020," he said. "That is not what is happening now."

LIKE WUHAN

In the early days of the pandemic, China sealed off the original epicenter of Wuhan, with industry and manufacturing in the city shut down for months.

Still, as the outbreak was contained and Wuhan started to cautiously emerge from restrictions, it started to deploy similar moves to those now being rolled out in the south, with computer maker Lenovo Group Ltd. taking factory workers' temperatures multiple times a day and isolating staff for testing. Such measures enabled China to emerge swiftly from the initial pandemic economic hit, despite fears restarting factories would contribute to the virus's spread. The theory may be the same now. — Bloomberg



MERALCO RECOGNIZED FOR OUTSTANDING SERVICE AMID PANDEMIC — The Manila Electric Company (MERALCO) emerged as one of the top companies in the Philippines on service excellence, leveraging both digital and traditional customer channels despite the challenges brought about by the ongoing COVID-19 pandemic. During the recent 2021 ASEAN Enterprise Innovation Awards presented by Asia IoT Business Platform (AIBP), Meralco was recognized for its entry "Transformation Powered by Technology and Tradition" showcasing the power distributor's programs aimed at enhancing customer experiences through process improvements and digital transformation. In the photo (from L-R): Meralco First Vice President and Head of Information Communication Technology and Transformation Rocky D. Bacani; First Vice President, Chief of Staff to the President and CEO and Supply Chain Advisor Maria Luisa V. Alvendia; and First Vice President and Chief Commercial Officer Ferdinand O. Geluz.

HOME IS WHERE THE HEART IS: Homebright keeps yours loved ones happy, healthy and safe in this time of pandemic

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"With the current pandemic, the concern for health, safety, and savings is on every Filipinos' mind. Homebright offers peace of mind and security by delivering protection and impressive efficacy at an affordable price," says Paolo Castano, from Consumer Insights Inc., the exclusive importer of



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FULL STORY



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