

# Melco Resorts ordered to reinstate 42 guards

THE Court of Appeals (CA) has ordered Melco Resorts Leisure Corp. to reinstate 42 former security guards, ruling that the company had failed to meet its obligations with regard to their overtime pay.

In an 18-page decision dated Oct. 18 and made public on Oct. 24, the court ordered Melco Resorts to pay each of the former security guards P50,000 in damages.

The security guards said the company failed to pay overtime in 2017, other pay-

ments outlined in their employment contracts, as well as a share of customer tips.

Melco Resorts did not immediately reply to an e-mail seeking comment.

The firm is the owner-operator of the City of Dreams resort and casino complex in Parañaque City.

The CA upheld a National Labor Relations Commission (NLRC) ruling in favor of the security guards.

“The supposed distribution of additional cash payments should not be

hedged upon Melco’s mere failure to come up with the company policy or guidelines in the distribution thereof,” Associate Justice Wilhelmina B. Jorge-Wagan said in the ruling.

The tribunal found that the NLRC did not abuse its discretion in ruling that Melco Resorts failed to prove that the guards were not entitled to the additional pay.

The company had argued that it had no policy on the additional grant of pay-

ments for the security guards, adding it did not know whether it was feasible to grant the extra pay.

It also said the security guards’ performance did not merit a bonus, which should have led to an NLRC rejection of the guards’ entitlement to additional payments.

“The respondents (security guards) should not bear MELCO’s incompetence in not seasonably formulating the required company policy or guide-

lines after it had so stipulated with the private respondents for the grant of additional cash payments,” the tribunal said.

The CA rejected Melco Resorts’ argument that the guards performed inadequately to warrant additional cash payments in the absence of firm performance guidelines.

“It is an established rule that he who alleges... has the burden of proving it,” the court said. — **John Victor D. Ordoñez**

OPINION

## Basic elements of a worker incentive policy

**W**e’d like to establish an incentive plan for all employees starting January. We have a draft but we’d like to ensure that we’re getting it correctly. Please help us formulate a solid policy. — *Blue Lagoon.*

The first thing you should do is to know the best practices in your industry. If you’re in manufacturing, it’s better to learn from the policies and programs of other manufacturers that are of the same size, demographics of employees, among other factors. You can’t copy from irrelevant industries.

Why not? When people resign, they usually explore employment opportunities with your competitors. Conversely, these companies are attracted to their competitors’ employees who know the ins and outs of the industry and most likely their trade secrets as well. The attraction is mutual between your employees and your competitors.

No matter how you limit their options with certain conditions, including a non-compete clause in their quit claim, there’s no assurance you’ll be successful.

The next step is to conduct an internal survey that protects the respondents’ identities. You can do this in a week, excluding the compilation of results and analysis. Whatever the lessons from the survey, you can incorporate them in your draft.

The survey result should encourage higher levels of participation in the years to come. If there are changes needed, revise the policy as needed.

**BASIC ELEMENTS**

You must be creative when confronted with the following questions: How would you encourage higher levels of participation? What do the employees want? Would they be satisfied with monetary or non-monetary rewards, or both? Knowing the answers to all this, you’ll be able to understand that an excellent incentive policy must be geared towards reducing attrition, increasing revenue, and improving productivity.

The trouble is that these may not be enough. People are motivated

by different incentives. So here are the basic elements that should help you create the best incentive policy that addresses the needs of the most employees:

**One, keep the policy simple and easy to understand.**

This requires connecting it to the performance appraisal system. The requirements for excellent performance should be outlined in the policy. There should be no need to create a policy independent of the appraisal system.

**Two, recognize those who exceed expectations.** Every department has clear minimum standards. For sales or production, this is easy to quantify with numerical targets. For those in human resources, accounting or marketing, the best approach is to create targets that can be easily be measured, like a cost reduction program.

**Three, distinguish between individual and team accomplishments.** This means having categories with different sets of requirements. This ap-

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proach solves the highly contentious issue of who among the team members had the greatest contribution to any given accomplishment without undermining team dynamics.

**Last, tangible rewards must be extraordinary.** Don’t give out inexpensive plaques or trophies. Create gifts that are memorable to the recipients. It could be a combination of non-cash and cash rewards. Other variations of non-cash rewards may include sending the awardees on an all-expenses paid educational trip, or a home appliance that benefits the worker’s entire family.

For cash rewards, six figures (in pesos) or a certain percentage of the employees’ basic pay may be given. Note, however, that the cash reward is taxable and may reduce the net take home cash reward, unless the company pays the tax.

**OTHER ISSUES**

Even with the most attractive reward and recognition program, issues will arise even if you think you’ve created a robust program. One story I’ll never forget is when the awardees joked about

receiving another *lapida*, or tombstone, at an employee recognition ceremony.

This is why you should not take the design of trophies and plaques for granted. Your supplier can help you with this, but try to ensure you don’t get the most basic designs that can be easily replicated by the counterfeiters along C.M. Recto Avenue.

Another issue is the objectivity of the judging. While you can always appoint department heads to be the judges, it’s also worthwhile to consider outsiders like a management expert or a government official in charge of regulating your industry, or someone from the Labor department.

It’s not always easy. But you don’t have to perfect the system in the first year. You can always make improvements every year with employee input. If you agree with the suggestions, announce the changes and implement them right away.

Chat your workplace issues with REY ELBO via Facebook, LinkedIn, X (Twitter) or e-mail [elbonomics@gmail.com](mailto:elbonomics@gmail.com) or via <https://reyelbo.com>



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