

Unions say wage hike won't harm businesses

LABOR UNIONS said they reject claims made by Labor Secretary Bienvenido E. Laguesma that some businesses will face hardship if they are required to raise wages by as little as P150 per day, much lower than the full P750 wage hike being considered in Congress.

In an appearance on One News this week, Mr. Laguesma said the P750 minimum wage hike proposal, which requires at least a P150 raise across all industries, will be difficult for some small

businesses, noting that 96% of enterprises are micro and small firms.

"A careful balance is needed because the needs of workers alone are not the only consideration," he said. "It might be challenging for business owners to comply even if they want to."

The P150 wage increase proposal is pending in both the Senate and House of Representatives, with Senator Juan Miguel F. Zubiri and Party-list Rep. Ray-

mond Democrito C. Mendoza, and the Makabayan bloc pushing for national implementation through legislation, bypassing the current regional wage-board system.

Speaking to *BusinessWorld*, Nagkaisa Labor Coalition Chairman and Federation of Free Workers (FFW) President Jose G. Matula argued that industries can afford the suggested P150 across-the-board increase, which would represent a 24.6% raise from the current highest

regional wage of P610 in Metro Manila.

He said higher pay hikes have been implemented via legislation before, citing 1989's Republic Act No. 6727 or the Wage Rationalization Act, which ordered a P25 hike, equivalent to a 39.06% raise over the P64 national minimum wage. Mr. Matula said that wage hike did not cause companies to close.

Partido Manggagawa said the negative impact of the wage hike on certain businesses will

be short term, with businesses expected to thrive in the long run if workers step up their consumption on the back of higher pay.

"In the short term their profit margins might be affected, but still, they can profit," Partido Manggagawa Chairman Renato Magtubo said in a Viber message. "It's not a good national policy for the country to maintain depressed wages so that employers continue to profit from workers' labor."

In a separate interview, FFW Vice-President Julius H. Cainglet said that the wage hike is a justified response to the government's failure to control prices of goods and services.

"Workers have long been languishing on poverty wages. For decades since the enactment of the Wage Rationalization Act, the balance has always tilted in favor of employers. This is but one time in the last 35 years that the balance will tilt in favor of workers," he said. — **Jomel R. Paguian**

OPINION

New year manpower planning

What's in store for us in people management in 2024? What are the challenges that we should identify and manage as regards manpower needs? — *White Lady.*

You can't do manpower planning as a standalone program outside of HR planning and the organization's annual strategic planning exercise, which is a must for every organization. However, it sounds to me that you are making do with what you have in terms of focus and time.

Manpower planning is a critical step in hiring new employees or transferring current ones to more suitable posts so the organization can maximize their contributions. This can't be done without reference to recruitment, training, compensation, and career development needs.

Without manpower planning, HR may not be in a position to serve the

needs of other departments. This means that HR must work closely with others to anticipate their future staffing needs, like nailing down the actual number of workers needed for a particular month of each year, if you want to be specific about it.

IN THE WORKPLACE REY ELBO

ELBONOMICS: You can't do manpower forecasting without knowing your current needs.

OVERSTAFFING, UNDERSTAFFING

No organization can afford to be overstaffed or understaffed. If an organization has more workers than needed, productivity falls — a problem difficult to detect unless management is actively looking.

The same thing can also happen with understaffing, which can cause service or product quality to deteriorate. Understaffing can also increase overtime costs and impose physical strain and stress on overworked employees.

To avoid this, manpower planning must be conducted objectively. HR must be at the forefront of defining worker

competencies and the cost of training or other interventions to create the desired result.

For example, in January and February, what do we expect to happen? Off the top of my head — employees may elect to resign or management may initiate temporary rightsizing. Employees, after receiving their yearend bonuses and all their benefits (like exhausting accrued vacation leaves) are prone to moving to other employers.

On the other hand, temporary rightsizing happens when management decides to reduce staffing, including contractuales and agency workers during the first two or three months of the year, when demand for the company's products or services is low.

Thus, it is a must to raise the following questions:

One, how many employees (both regular and contractual) are needed by the organization to meet its objectives every month, quarterly and on an annual basis?

Two, what jobs will these people need to fill? How many are in opera-

tions, sales and marketing, or other departments?

Three, what knowledge, attitudes, skills and habits will new hires and transferees be required to possess?

Four, can we promote people from within rather than hire outsiders? If that's possible, how do you intend to make it happen?

Five, if you intend on sourcing from a manpower agency, what's a reasonable ratio to maintain between contractual and regular employees, if only to avoid legal complications?

Six, if you intend to ask agency workers to become part of your regular workforce, how do you intend to assess them?

Seven, what kind of training would you need to offer to minimize the skills gap? If defined, who among your senior employees can train people?

These are some of the basic questions you must explore. The critical questions vary with organizations, depending on their culture, industry positioning, market power and other demands of a competitive environment.

FORECASTING

In conclusion, manpower planning boils down to forecasting, except that it's not an exact science. Like weather forecasting, it is subject to many uncertainties and inaccuracies. That's why an HR person needs judgment, supported by input from department managers who know the ins and outs of their staffing requirements.

However, an HR person should be cautious about relying too much on the ideas of these department managers, who could be engaging in empire building. They may hold the mistaken belief that having more employees ensure quality and productivity.

If you want to test this proposition, try computing that department's turnover rate. You'll soon discover the truth about every manager's claims.

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