DoLE urges employers to foster culture of 'voluntary compliance'

THE Department of Labor and Employment (DoLE) said Thursday told employers to work towards a culture of voluntary compliance with labor standards, citing the ideal of zero worker complaints with regard to benefits they are due.

"(We hope for) them... to really have that culture of voluntary compliance on labor standards. The benefits that should be given to (workers) should be provided on time without any complaints," Labor Secretary Bienvenido E. Laguesma told reporters on the sidelines of the Arangkada Forum in Pasay City.

He further urged employers to ensure inclusive social protections are extended to workers, especially vulnerable laborers.

"We'd like to see businesses continue to open up to their workers and have real joint problem-solving, consultation, and dialogue," he added.

The labor chief, during his keynote speech in the Arangkada Forum, bared the efforts of the government to upskill and reskill workers to meet increasing demands.

DoLE, he said, is partnering with the private sector, including industry associations.

"Our interest is towards more quality, decent jobs, ensuring more for all, with the ultimate aim of increasing worker productivity, improving living standards, and skilling our workers so we can maintain the productivity and health of our labor force, and maintain the growth path of the economy," he said.

The Philippine Chamber of Commerce and Industry (PCCI) on Wednesday at the 50th Philippine Business Conference & Expo, urged the National Government to reform the education system and enhance workforce skills through upskilling and reskilling initiatives.

It added that consultations are necessary to ensure the alignment of education outcomes with labor market needs and benchmark the law against the qualification frameworks of members of the Association of Southeast Asian Nations.

Mr. Laguesma said DoLE is pursuing four strategies following the passage of the Trabaho Para sa Bayan Act: Strengthening the alignment of education and training programs, expanding employability, reducing the regulatory burden on micro, small, and medium enterprises, and ensuring compliance with labor standards.

He added that DoLE is concerned with ensuring social protections as the economy digitizes and becomes more automated.

He said DoLE's upskilling and reskilling efforts include labor-management education initiatives, enterprise-level training, and comprehensive and full-cycle employment facilitation services through the Public Employment Services Offices.

Job skills mismatch continues to be a focus because 65% of graduates are not getting jobs in the industry of their choice, with 20% of workers with college degrees employed in jobs requiring only basic skills.

The school-to-work transition is also slow, Mr. Laguesma said.

In July, the Philippines posted its highest unemployment rate in a year with fresh graduates entering the workforce, with 2.38 million left jobless that month.

Mr. Laguesma said the Trabaho Para sa Bayan master plan will be submitted to President Ferdinand R. Marcos, Jr. in December. It is currently being circulated around the regions for consultation, he added. — **Chloe Mari A. Hufana**


DOUBLEDRAGON.COM.PH

DoubleDragon gets Triple A rating for first tranche of P30-B bond program

LISTED property developer DoubleDragon Corp. got the highest credit rating for a P10-billion planned bond issuance in November as the company aims to expand its investor base.

It secured the "PRS Aaa" with a stable outlook for the bond offer with a base amount of P5 billion and an oversubscription option of as much as P5 billion, it said in a stock exchange filing on Thursday.

The P10-billion bond sale is the first tranche of DoubleDragon's P30-billion multiyear retail bond issuance. The tenor is at 5.5 years, while the interest rate is at 8%, with a P50,000 minimum denomination.

The "PRS Aaa" rating is given to debt with marginal credit risk, while a stable outlook means that the rating is likely to remain unchanged in the next 12 months.

DoubleDragon's bond issuances for 2025 and 2026 will be priced at about 7% and 6% per annum, respectively.

"The pipeline capital-raising issuances at this stage of DoubleDragon's growth are intended to further boost its financial position by increasing its cash position," the company said.

Meanwhile, DoubleDragon Chairman Edgar "Injap" J. Sia II said he expects the bond sale to attract retail investors.

"Since the cycle of low interest rates has begun, this retail bond offering could be the very last time in many years at 8% per annum," he said.

This offer would also accommodate retail investors who failed to participate in the recent DoubleDragon retail bond sale, he added.

In July, the company finished a P10-billion retail bond offer that was fully subscribed five days before schedule. It was the initial segment of DoubleDragon's shelf-registered debt program.

DoubleDragon shares gained 0.37% or 4 centavos to close at P10.82 each. — **Revin Mikhael D. Ochave**

ACEN unit to invest up to $18 million in 70-MW Bangladesh solar project

ACEN Corp. said its unit plans to invest as much as $18 million (P1.04 billion) in the construction of a 70-megawatt (MW) solar project in Bangladesh.

ACEN Renewables International Pte. Ltd. is set to infuse capital in IBV ACEN Renewables Asia Pte. Ltd., its joint venture company with Singapore-based solar developer ib vogt (Singapore) Pte. Ltd., the company said in a stock exchange filing on Thursday.

"The infusion/investment will be used to acquire the relevant project holding company and funding for necessary capital expenditure," ACEN said.

The investment is part of ACEN's expected contribution of as much as $200-million equity investment to accelerate the deployment of renewable energy in Asia.

The joint venture will focus on shovel-ready projects in Bangladesh, Laos, Cambodia, Vietnam, Malaysia, and other countries in the Asia-Pacific region, with a minimum target operational capacity of 1,000 MW.

All regulatory approvals and conditions had been satisfied as of August 2023, making the shareholder's agreement for the joint venture company effective.

Ib vogt Singapore is an affiliate of ib vogt GmbH, a German company that specializes in developing and delivering large-scale turn-key photovoltaic plants. The company has built or has projects under construction worth 4.3 gigawatts (GW), with a project pipeline of 55 GW.

ACEN, the listed energy platform of Ayala Corp., boasts a portfolio of about 4.8 GW of attributable renewable capacity in operation and under construction, as well as over one GW worth of signed agreements and competitive tenders it had won.

The company has presence in the Philippines, Australia, Vietnam, India, Indonesia, Laos, and the US.

ACEN shares shed 3.2% to close at P4.84 each. — **Sheldeen Joy Talavera**

OPINION

What to do before downsizing

Our chief executive officer (CEO) feels that we're overstaffed. He has tasked the human resource (HR) department to do something. What are our available options given that our manpower complement is 30% less than the competition? — Saber Light

IN THE WORKPLACE
REY ELBO

It's not easy to downsize an organization. It could be made difficult when you have a labor union that would object to whatever plan you may have, as they would consider such a plan a form of union busting. The CEO may have a good reason why he's thinking of downsizing. But you need to clarify his objectives.

Hear it directly from the horse's mouth. Find out more about his perceptions and thoughts. Ask for specific details. Then prepare a financial cost analysis for severance pay. Calculate a payback period for the restructuring costs with the help of the finance department.

The information required includes the estimated payroll savings, the target number of workers to be removed, their average salary, and length of service. Then, compare it with several optional packages of say, two months for every year of service and the average fringe benefit cost at 25% of salary.

In many instances, downsizing can be justified by falling revenue, increased operating costs, or both. It's not enough that we look at what the industry is telling us. Maybe, the competition has high levels of staffing because of the size of their operations or the number of products or services that they're offering to customers.

Of course, we won't know for sure unless we take a good look at operations. The labor laws allow employers to terminate workers due to automation, installation of labor-saving devices, or to avoid losses or further losses. The law even allows total closure of the business after major, irreversible losses.

In that case, employees targeted for dismissal are always entitled to notice and severance pay, plus an outplacement program that could help them start a new life somewhere. The outplacement program includes training on entrepreneurship, and financial management, teaching them new skills, and career counseling which includes assistance in preparing professional-looking resumes and coaching on how to ace job interviews.

If possible, employers can recommend employees for hiring by the company's affiliates, subcontractors, or suppliers.

Providing an outplacement service to employees sends an excellent signal to both the surviving and resigning employees that the company cares for them.

DUMBSIZING

If an organization has not thought through its proposed downsizing program, it could result in what is known as "dumbsizing." The exercise could fail if the company ends up with low performers, the unskilled, and the inexperienced, forcing the company to pirate outsiders and offer them attractive pay and perks. If that happens, you'll be back to square one.

Think hard before downsizing. Reducing headcount can destroy social equanimity when structures are altered, work relationships disrupted, work patterns and workflows modified. It will take time for the surviving workers to do the jobs once performed by many.

A pervasive feeling of job insecurity could undermine the efficiency goals that were supposed to be achieved by downsizing. That's why many organizations prefer to do positive downsizing through a voluntary redundancy program (VRP).

This can succeed with an offer of a severance pay package that could range from one to three months per year of service. This is attractive to the relatively young, with long years of service, and higher pay resulting from their merit increases.

A VRP causes less pain, is less emotional, and is less stressful for management, targeted employees, and survivors. To avoid paralyzing company operations, management must reserve its right to refuse the applications of high flyers, those considered to be indispensable, or those who possess unique skills that are difficult to replicate.

OTHER OPTIONS

To help your CEO make an intelligent assessment of a planned downsizing program, you must suggest other pathways like the implementation of a kaizen program to help the organization identify and systematically reduce its operational costs.

Sometimes, mergers and consolidation are possible options, except that it takes the shareholders to do just that. It is not within the authority of the CEO to do that on his own, but he could make a strong recommendation to the board of directors.

Another option is the centralization of backroom or support functions, like recruitment, and payroll, among other related functions, to end up with a so-called shared services setup. In other words, the solution may not necessarily limited to downsizing or rightsizing.

Consult REY ELBO on your workplace issues via Facebook, LinkedIn, or X, or send an e-mail to **elbonomics@gmail.com** or visit ***https://reyelbo.com***. Anonymity is guaranteed.