Debate over 14th month pay called a 'distraction'

By Kenneth Christiane L. Basilio *Reporter*

THE LABOR movement continues to prioritize the campaign for a P200 daily minimum wage and warned that calls for 14th month pay could serve as a "distraction" from this effort.

Federation of Free Workers President Jose Sonny G. Matula said via Viber: "Our foremost priority is the P200 nationwide legislative wage hike... We hope the 14th month pay will not become a distraction or a substitute for a genuine wage hike."

Senate Minority Leader Vicente C. Sotto III filed in July a bill seeking to require employers to grant workers 14th month pay to help them deal with the cost of living.

Senate Bill No. 193 also proposed that the 13th month pay be released no later than June 14, with 14th month pay disbursed no later than Dec. 24 of every year.

Presidential Decree No. 851 of 1976 requires employers to pay workers 13th month pay, equivalent to one-twelfth of an employee's total basic salary earned within a calendar year.

Mr. Sotto's bill "recognizes the indispensable value of labor to the growth of capital," National President of Bukluran ng Manggagawang Pilipino Renecio S. Espiritu said via Viber.

Benjamin B. Velasco, an assistant professor at the University of the Philippines Diliman School of Labor and Industrial Relations, said: "A 14th month pay is one way to address and attend to retention issues of firms," he said via chat. "Happy workers are hard workers."

But the productivity boost will likely be short-lived if monthly wages still lag the rising cost of goods, Josua T. Mata, Sentro ng mga Nagkakaisa at Progresibong Manggagawa secretary-general, said.

"Bonuses can indeed incentivize employees. However, this effect is short-lived if underlying pay remains inadequate," he said via Viber.

Mr. Sotto's proposal represents two pump-priming events each year, boosting domestic demand and providing support to local businesses, Mr. Velasco said.

OPINION

Closet clerk: A manager with zero authority

IN THE WORKPLACE
REY ELBO

I work for a medium-sized organization. I feel bad for our department manager who has no authority to approve even small purchases like staplers. He told us that all disbursements, regardless of amount, must be approved by the chief executive officer (CEO). The trouble is that our manager appears unbothered by the situation. What can we do? — White Lotus.

In most organizations, the word manager implies decision-making authority and autonomy — qualities essential to leadership. Yet, in some companies, managers become mere coordinators, or as I call them, closet clerks or "glorified messengers."

When they lack even basic approval power, it's not just inconvenient — it's a fundamental breakdown of real management responsibility.

When that happens, the manager title starts to feel like a cruel joke. Dig deeper and you'll find a quiet, corrosive force at play — one that undermines productivity, damages morale, and erodes credibility, like what you're feeling now.

A policy meant to save pennies can, in fact, undermine an organization's effectiveness. Lost time, wasted energy, and damaged manager credibility often cost much more than any savings on office supplies. Over-controlling spending at this level signals a much larger issue: systemic distrust and inefficiency.

Organizations often centralize disbursements in the name of control. When taken to extremes, the policy flips into dysfunction. If a manager needs permission to buy pens, the system has crossed from prudent governance into bureaucratic farce.

It signals a deeper cultural message: people don't trust their managers.

When the workers see their boss powerless to authorize buying a box of paper clips, the unspoken question arises: if he's not authorized to make small decisions, how can I trust him with big ones?

This credibility gap isn't the manager's fault — it's structural. Yet he's the one who absorbs the pity, the jokes, and the loss of respect. They're only tasked with relaying requests after nominal vetting instead of making independent decisions. If this happens all the time, credibility erodes, followed by disengagement in the workforce.

DEATH BY DELAY

That's not all. There's also the issue of efficiency and productivity. Imagine a frontline team that runs out of printer ink on a Tuesday. Instead of replacing it immediately, the manager submits a request to the head office. It travels through approvals, lands on someone's desk, and — if you're lucky — the ink replacement arrives a week later.

Multiply that scenario across dozens of small needs and you get a steady drip of lost time, slowed projects, and frustrated employees. This is the organizational equivalent of paying $100 to save $10.

DECENTRALIZATION

The solution is a functional decentralization. Many successful organizations implement petty cash or small discretionary budgets for department heads. A monthly allowance of even $100–$200 is enough to cover incidentals while maintaining financial oversight.

Handled correctly, small allowances eliminate frustration and free the CEO to focus on strategy, not minutiae. More importantly, restoring this authority to managers strengthens their leadership role, improves team morale, and removes the inefficiencies caused by centralized control.

For managers caught in this trap, the challenge is how to address it without sounding like they're complaining about pens and staplers. The key is to frame the conversation in terms of business impact. However, this can only be done by the department manager.

Depending on your relationship with your boss, you may want to discuss the following major points:

One, productivity loss. Document delays caused by approval bottlenecks for small purchases. Time wasted is measurable, and executives respond to numbers.

Two, comparative cost. Show how the labor hours spent on approval often exceed the item's value. Processing a $10 request might cost $50 in administrative effort.

Three, employee engagement. Point out how credibility suffers when managers can't act autonomously, creating hidden, unimaginable cultural costs.

Four, best practices. Highlight industry peers who empower managers with small budgets and their efficiency gains.

By shifting the discussion from "I need staplers" to "Here's how we can save money and time," the manager elevates the issue from trivial to strategic. Of course, that's assuming that he has the courage to discuss the issue with the CEO.

This scenario illustrates a broader truth about authority matching responsibility. If managers are held accountable for results but denied even minor decision-making power, the structure is flawed. It's like asking a pilot to fly a plane on the condition that the head office has to approve every time he adjusts altitude.

Many managers recognize that empowerment is not an act of generosity minutiae it's a performance strategy. Trusting managers with small expenditures is not about generosity; it's about enabling them to deliver results without being tripped up by bureaucracy.

The fix is both obviously simple and powerful. Grant managers modest discretionary authority. The upside is faster decisions, higher morale, and restored faith in leadership. In the end, autonomy is not a perk. It's the fuel that keeps managers credible, teams productive, and organizations competitive.

Ask questions and receive REY ELBO'S insights for free. E-mail elbonomics@gmail.com or DM him on Facebook, LinkedIn, X or via ***https://reyelbo.com***. Anonymity is guaranteed.