



*National Labor Relations Commission*  
**2010 PERFORMANCE REPORT**

## *About the Report*

**T**his 2010 Performance Report is the National Labor Relations Commission's (NLRC) comprehensive report on the accomplished programs, initiatives, and reforms in the establishment of industrial peace with transparency. The statistics used in this Report represent 2010 activities and reform programs of the NLRC, spanning the period from January to December 2010.

Part I - Agency's Discussion and Analysis, provides an overview of the NLRC's mission and activities.

Part II - Reform Projects, presents the results of the NLRC's 2010 performance in accordance with its Labor and Employment Strategic Plan.

Part III - Adjudication, presents the caseload and disposition rate of labor cases.

Part IV – Other Accompanying Information, presents the data on the industry classification and the nature of cases filed.

This Report reflects the NLRC's performance in the resolution of labor cases which demonstrates to the public its commitment to and accountability for its mission in the promotion of industrial peace based on social justice through an effective and economically-viable dispute settlement machinery.

## *NLRC AT-A-Glance*

*T*he NLRC is a quasi-judicial body of the Government attached to the Department of Labor and Employment (DOLE) only for program and policy coordination. It was created by virtue of Presidential Decree No. 442 (Labor Code of the Philippines) which took effect on November 1, 1974. It took over the functions of the Court of Industrial Relations (CIR) and the Ad Hoc NLRC created under Presidential Decree No. 21.

The NLRC is tasked to promote and maintain industrial peace by resolving labor and management disputes involving both local and overseas workers through compulsory arbitration and alternative modes of dispute resolution. The pivotal mission of the NLRC is to resolve labor disputes in the fairest, quickest, least expensive and most effective way possible.

The core goals of the NLRC are to dispose of labor and management disputes based on social justice, to promote and maintain industrial peace, and to coordinate with social partners on preventive and proactive aspects of dispute settlement.

The Commission Proper of the NLRC is tripartite in representation. Each of the eight (8) divisions of the Commission has three members with the Presiding Commissioner representing the government sector and the remaining two members representing the workers' and the employers' sectors.

*Part I*  
*AGENCY'S DISCUSSION AND ANALYSIS*

*Organization*

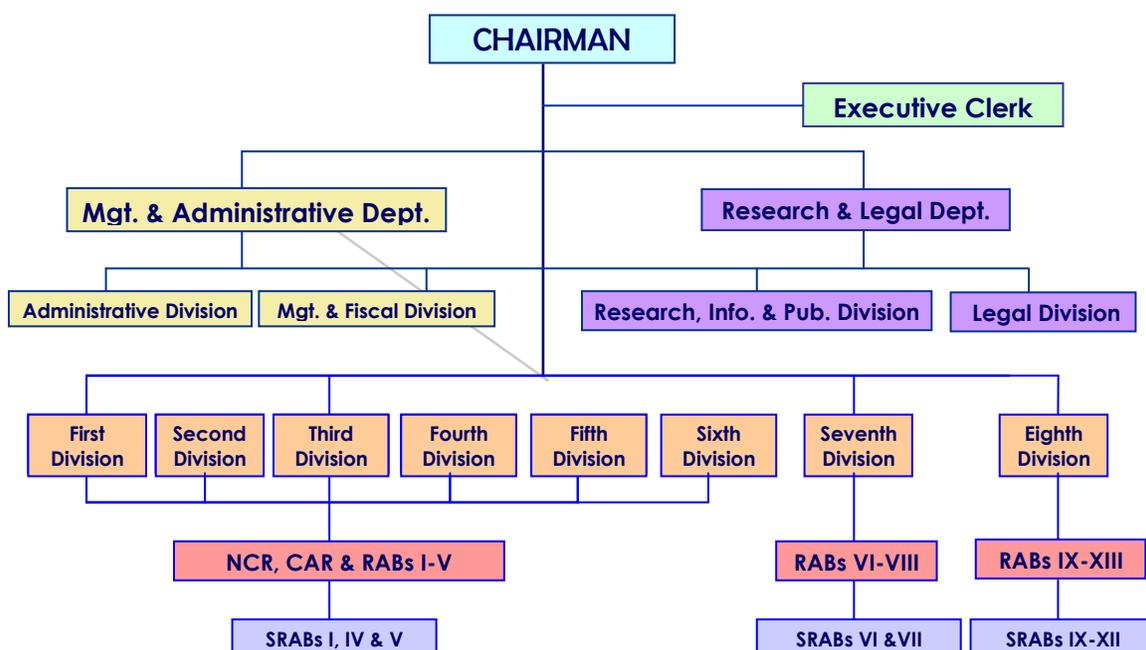
The Chairman, assisted by the Executive Clerk of the Commission, has administrative supervision over the Commission, its regional arbitration branches and all its personnel, including the Executive Labor Arbiters and the Labor Arbiters. With the passage of the NLRC Rationalization Act (R.A. 9347), the Commission is composed of the Chairman and twenty-three (23) Commissioners.

The Commission sits *en banc* only for purposes of promulgating rules and regulations governing the hearing and disposition of cases before its Divisions and Regional Arbitration Branches, and formulating policies affecting its administration and operations. It allows, on temporary or emergency basis, cases within the jurisdiction of any Division to be transferred to and heard by any other Division whose docket allows additional workload and where such transfer will not expose litigants to unnecessary additional expense.

The Commission through its Divisions have exclusive appellate jurisdiction over all cases decided by Labor Arbiters at the Regional Arbitration Branches (RABs) and its sub-regional branches.

The First, Second, Third, Fourth, Fifth, and Sixth Divisions have their respective main office in the National Capital Region, and the Seventh and Eighth Divisions in the cities of Cebu and Cagayan de Oro, respectively.

## ORGANIZATIONAL STRUCTURE UNDER R.A. No. 9347



### *Performance Overview*

This explains the NLRC's performance planning framework and provides an overview of performance for the year. The 2010 performance planning framework originated from the previous year's goals and objectives, and in line with the 22-Point Labor and Employment Agenda of President Benigno S. Aquino, III. Specifically, the following are the priority goals and reforms of the NLRC, to wit:

- Reform labor arbitration and adjudication system by streamlining procedures, removing red tape, and at the same time, restoring integrity and fairness in the system, which is crafted to ensure 98% of all pending labor cases to be disposed of with quality decisions by April of 2011 (*Agenda No. 6*).
- Ensure that the DOLE and its attached agencies are streamlined and rationalized to have clear-cut and distinct mandates and that qualification standards, especially on eligibility, are strictly followed (*Agenda No. 21*).

- Work with the CSC to ensure that performances of government agencies and civil servants are evaluated rationally and systematically through an effective and measurable performance management system to be approved by the CSC, such as directly linking the CSC Performance Management System-Office Performance Evaluation System (PMS-OPES) with the DBM Organizational Performance Indicator Framework (OPIF) to ensure the accountability of government agencies and officials (*Agenda No. 22*).

Similarly, the NLRC aims to dispose of labor and management disputes based on social justice and maintain industrial peace. The NLRC has a number of desired outcomes of these goals, including but not limited to: (a) reduction of case resolution to six (6) months in line with Project SpeED of the DOLE; (b) revision of Rules of Procedures and Manual on Execution of Judgment; (c) strict monitoring of attendance of Commissioners, Labor Arbiters, and employees; (d) strengthening the mandatory conciliation and mediation process; (e) adoption of a Code of Conduct; (f) proper monitoring of allocation and utilization of agency funds in accordance with the principles of zero-based budgeting; and (g) observance of an acceptable level of performance for Commissioners and Labor Arbiters, and imposition of sanctions for non-compliance.

Further, the NLRC is continuously monitoring its performance measures free from graft and corruption, and with the aim of developing additional outcome measures. In this connection, the NLRC has revised the Rules of Procedure of the Efficiency and Integrity Board (EIB), an impartial oversight monitoring body which pursues measures to eradicate graft and corruption.

## *Part II*

# *REFORM PROJECTS*

### *Streamlining of Procedures*

*I*n line with the NLRC's commitment to revisit its Rules of Procedure and Manual on Execution of Judgment to address the concerns about delay, and to ensure more transparency, clarity and predictability, Administrative No. 08-16, Series of 2010 was issued reconstituting the Committee on the Revision of the Rules of Procedure tasked to submit a report not later than 30 September 2010. Subsequently, the NLRC had its En Banc session and deliberated the proposed amendments and/or revisions in the Rules of Procedure and Manual on Execution of Judgment, and the same will be continued on the next en banc session scheduled on March 2011.

The NLRC endeavors to further strengthen its mandatory conciliation and mediation proceedings with the end view of increasing the number of disposition of cases by way of settlement and reducing time spent in case resolution. In this light, pursuant to the 2005 NLRC Rules of Procedure, Memorandum dated 06 July 2010 was issued directing all Executive/Labor Arbiters to personally conduct and preside over the mandatory conciliation and mediation conferences of all cases assigned and/or raffled to them and sign the minutes of the proceedings thereof. Further, and consequent to the NLRC's recognition of the primacy of conciliation and mediation, it was able to register **8,378** cases or **45%** share of settled cases out of the total cases disposed.

Moreover, it is noteworthy that the NLRC is seriously taking into account the Single Entry Approach (SENA) program of the Department of Labor and Employment (DOLE) that will serve as entry

points in speeding up the resolution of all labor cases and de-judicializing the process of handling labor cases.

Likewise, the NLRC has issued Memoranda regarding referral of cases to voluntary arbitration, to wit: (a) Memorandum directing all Presiding/Commissioners to immediately dismiss an appeal if the issue raised is the failure of the Labor Arbiter to refer the dispute to the National Conciliation and Mediation Board (NCMB) for voluntary arbitration, after determining that the complaint was initially processed in the grievance machinery as provided for in the existing Collective Bargaining Agreements (CBAs) between the parties. It further directs that an Order be issued to vacate the Labor Arbiter's decision and refer the dispute for voluntary arbitration; and (b) Memorandum directing all Executive/Labor Arbiters to immediately dismiss the complaint and/or terminate proceedings which were initially processed in the grievance machinery as provided for in the existing CBA between the parties, through the issuance of Order of Dismissal and referral of the dispute to the NCMB for voluntary arbitration.

## *Project SpeED (Speedy and Efficient Delivery of Labor Justice)*

*P*roject SpeED was designed to achieve a 98% disposition rate of all cases in the Department of Labor and Employment (DOLE) by April 2011 as directed by President Benigno S. Aquino, III. Project SpeED comprises of three phases, namely: (1) SpeED 1 – to dispose of April 2009 and earlier cases by March 30, 2010; (2) SpeED 2 – to dispose of March 2010 and earlier cases by September 30, 2010; and (3) SpeED 3 – to dispose of September 2010 and earlier cases by April 30, 2011.

In the pursuit of achieving the targets set under Project SpeEDs, Memoranda were issued directing all Presiding/Commissioners and Executive/Labor Arbiters to resolve and dispose of all enrolled cases.

Through the Project SpeED, settlement of labor cases will be achieved without the parties having to undergo litigious and strenuous compulsory arbitration. In fact, Project SpeEDs 1, 2, and 3 implemented by the NLRC has succeeded in settling labor disputes and de-clogged the case dockets, as well.

## *Improvement of Internal Processes*

Pursuant to the reform measures for labor arbitration and adjudication system, the NLRC has issued and adopted the following: (a) Memorandum dated August 16, 2010 directing all Executive/Labor Arbiters to transmit the records of cases on appeal including Memorandum on Appeal within forty-eight (48) hours from the filing of the appeal; (b) Memorandum dated August 16, 2010 penalizing the personnel who typed the wrong address by paying the cost of the mail, and a directive to the supervisor to ensure that the return cards/envelopes are signed/initialed by the typist, otherwise, the cost of the returned mails due to wrong address will be charged to the concerned party; (c) Strict compliance with the First-In-First-Out policy in the disposition of cases (En Banc Resolution No. 13-07) has been continuously and regularly monitored. As a consequence, majority of the Regional Arbitration Branches and Divisions attained current status in their case dockets, that is, all pending cases are not more than nine (9)-month old; (d) Continuous implementation of acceptable level of performance set for Labor Arbiters and Commissioner and enforcement of sanctions to non-performing officials. As a penalty measure for non-compliance, the NLRC has issued warnings which sometimes lead to withholding of their RATA; (e) Recognizing the vital role of communication/feedback mechanism to improve internal processes/services to the public clientele, social dialogues with the stakeholders were held with the following: (1) KMU/KAMIT leaders in July 2010, (2) Society of Hongkong Accredited Recruiters of the Philippines in July 2010, (3) ECOP in July 2010, (4) labor group in August 2010, (5) “Migrante” in September 2010, (6) ABS-CBN Employees Union in October 2010, and (7) Tripartite Industrial Peace Council in November 2010; (f) Administrative Order No. 04-04, Series of 2010 which required the Sheriffs and other concerned personnel to regularly submit inventory of all documents, folders, logbooks, and list of cases; (g) Advisory

Memorandum reiterating the DOLE Administrative Order No. 312, on Prescribed Uniforms; and (h) Memorandum dated August 16, 2010, on the authority of the lawyers of the Legal and Enforcement Division to appear and represent officials and employees of the Commission on cases where they are charged strictly in their official capacities.

## *Ensuring Integrity and Fairness in the Arbitration System*

The NLRC vigorously and continuously implements its Integrity Development Action Plan (IDAP), a roadmap in the fight against the perception of graft and corruption. Along this line, the following activities/initiatives were conducted and implemented: (a) Seminars for the sheriffs were conducted in July 2010 (one in Metro Manila, and the other one in Cebu City), and for the Labor Arbitration Associates in October 2010, which focused on values, work ethics, as well as competence in the performance of their respective duties; (b) Continuous review of the Code of Conduct for Commissioners and Labor Arbiters, and ongoing consultation with the NLRC Employees' Association (NLRCEA) on the Code of Conduct for the rank-and-file employees; (c) Continuous implementation of New Frontline System to ensure the integrity of raffle system through e-Raffle and to effectively assist litigants in filing complaints; (d) Awaiting approval of the Rationalization Plan creating an Internal Audit Unit (IAU); and (e) Creation of a Committee of Peers to initiate investigation and recommendation on alleged partiality and conflict of interest against Commissioners.

The NLRC gives preferential attention to the integrity of the organization and its bureaucratic force. Along this line, Memorandum dated September 21, 2010, re: Drug-Free Workplace in the Bureaucracy was issued to ensure that the NLRC officials and employees are free from drug dependencies and abuses.

## *Improving Quality Decisions*

While it is the goal of the NLRC to dispose of labor disputes fairly and speedily, it is also tasked to resolve labor cases with competence. For this reason, a Memorandum dated August 2010 was issued instructing all Presiding/Commissioners to submit to the Chairman the disapproved/not considered draft report/ decision of their reviewers, with their comments, observations, or underscoring the reasons for the disapproval. The Chairman, after evaluation of the draft decision/report shall take appropriate action which may include filing of cases before the Efficiency and Integrity Board (EIB).

As a result of the measure, the NLRC was able to maintain a higher level of affirmation rate by the Court of Appeals and the Supreme Court, to wit:

<b>Appellate Court</b>	<b>Affirmation Rate</b>	<b>Reference Period</b>
<b>Court of Appeals</b>	<b>88%</b>	<b>Jan. to Dec. 2010</b>
<b>Supreme Court</b>	<b>85%</b>	<b>Jan. to Dec. 2010</b>

Of the **1,107** NLRC cases resolved by the Supreme Court, **938** or **85%** were affirmed, while as to those resolved by the Court of Appeals, **1,092** NLRC cases or **88%** were affirmed out of **1,240** received by the Court of Appeals.

## *Part III*

# *ADJUDICATION*

### *Caseload and Disposition*

Both the Regional Arbitration Branches (RABs) and the Commission Proper are working within their institutional targets in the disposition of cases. In 2010, the NLRC successfully disposed of a total of **45,962** cases, **12,546** or **97%** from the Commission Proper, and **33,416** or **104%**, from the Regional Arbitration Branches (RABs).

<b>Performance Measures (Target vs. Accomplishment)</b>			
<b>Level</b>	<b>No. of Case Target</b>	<b>No. of Actual Case Disposed</b>	<b>Success Rate (%)</b>
Regional Arbitration Branches (RABs)	32,000	33,416	<b>104%</b>
Commission Proper	13,000	12,546	<b>97%</b>
TOTAL	45,000	45,962	<b>102%</b>

The total number of target cases for 2010 is **45,000**. For Regional Arbitration Branches (RABs) – **32,000** cases, and for Commission Proper – **13,000** cases. Out of **32,000** cases, the RABs successfully disposed **33,416** or **104%**, while the Commission Proper, **12,546** or **97%** out of **13,000** cases. All-in-all, the total case disposed by the NLRC for year 2010 is **45,962** or **102%** out of **45,000** target cases.

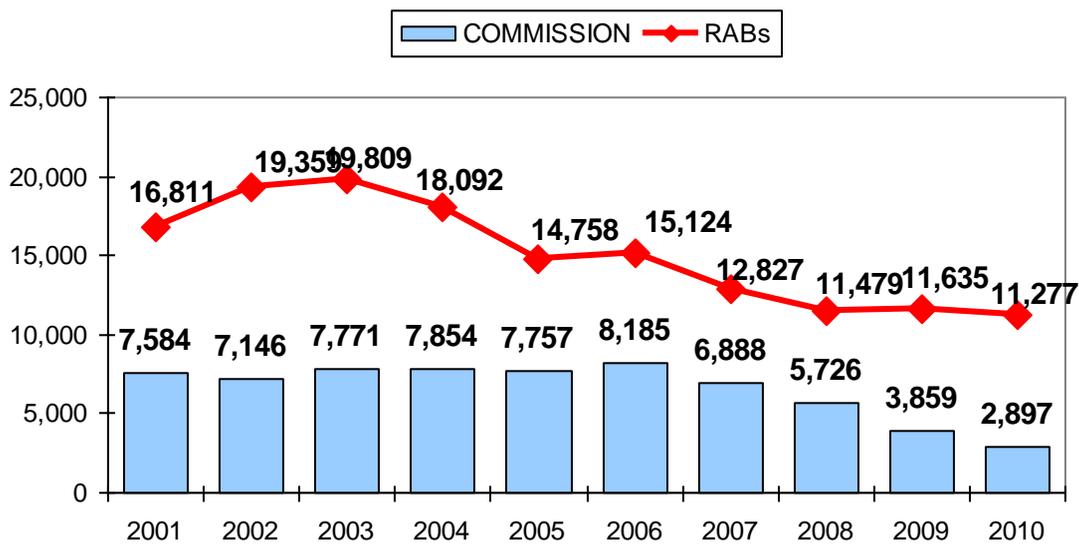
Significantly, the NLRC went beyond its target resolution rate

by more than a hundred percent (100%). The outflow or the number of cases resolved, outnumbered the inflow, or the cases received as shown in the table below:

LEVEL	RECEIVED CASES	RESOLVED CASES	%
Commission Proper	11,543	12,546	109%
Regional Arbitration Branches (RABs)	32,958	33,416	101%
<b>TOTAL</b>	<b>44,501</b>	<b>45,962</b>	<b>103%</b>

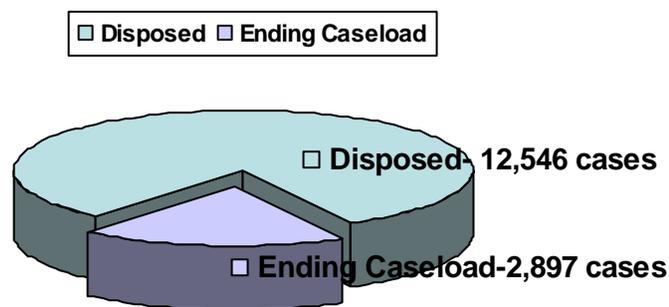
Based on these results, the NLRC has made significant progress toward reaching its objective, which even resulted in a laudable accomplishment. The outcome of this achievement has been the reduction in the ending caseload in both levels.

### TREND OF ENDING CASELOAD

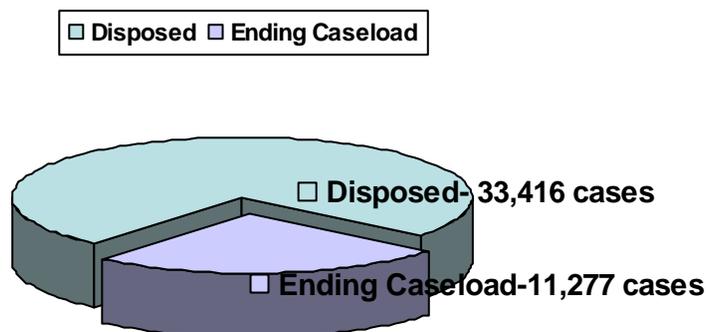


The Commission Proper's beginning caseload of **3,900** has now come to an ending caseload of **2,897**, while in the RABs, the beginning caseload of **11,735** has resulted in an ending caseload of **11,277**. Out of **11,277** remaining cases at the RABs, **92%** are newly filed cases or cases filed only from April to December, or a total of **10,454**. At the Commission Proper, out of **2,897** remaining cases, **89%** are newly filed cases or cases filed only from April to December, or a total of **2,564**.

**Commission Proper:**



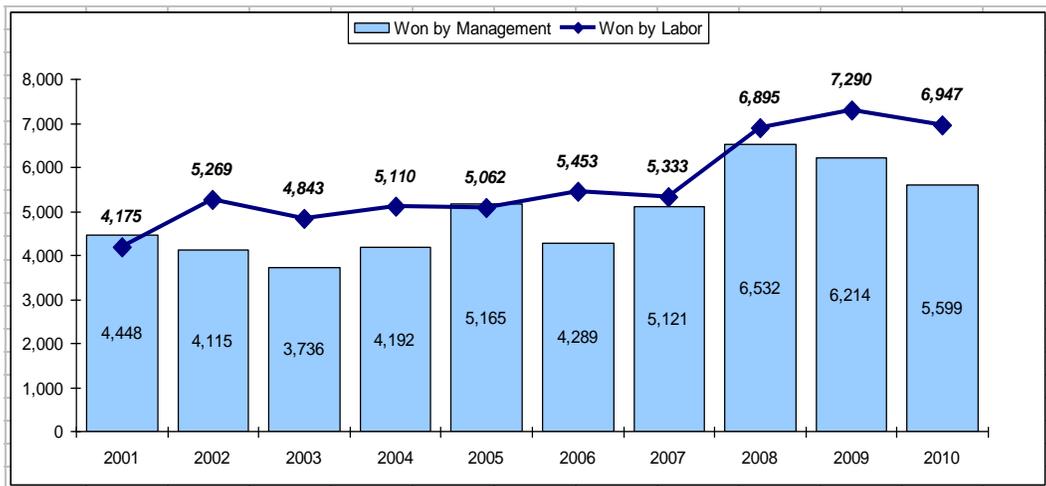
**Regional Arbitration Branches (RABs):**



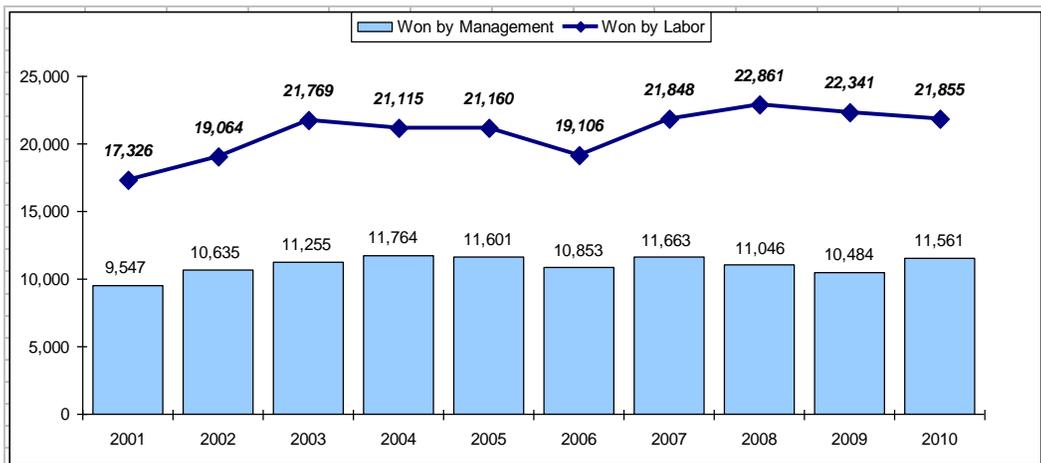
Further, records show that both at the appellate and arbitration levels, cases were resolved in favor of labor (workers). At the Commission Proper, cases resolved in favor of labor comprised **55%** of the total number of cases resolved, while **45%** of cases were resolved in favor of management. At the RABs, **65%** of the total

cases resolved were in favor of labor, and **35%** in favor of management.

**Commission Proper:**



**Regional Arbitration Branches (RABs):**



Amount of the judgment award at the Commission Proper reached some **P3.9 Billion** benefiting **13,576** workers, while at the Regional Arbitration Branches (RABs), some **P4.4 Billion** had been awarded, which benefited a total of **36,975** workers.

Of more important is the implementation of Project SpeEDs which designed to achieve a 98% disposition rate of all cases in the Department of Labor and Employment (DOLE) including other agencies, namely: the Employer’s Compensation Commission (ECC), Bureau of Labor Relations (BLR), National Labor Relations Commission (NLRC), National Conciliation and Mediation Board (NCMB), Bureau of Working Conditions (BWC), Philippine Overseas

and Employment Agency (POEA), and Legal Services (LS), by end of April 2011. The Project SpeED comprises of three phases, to wit: (1) SpeED 1 – to dispose of April 2009 and earlier cases by March 30, 2010; (2) SpeED 2 – to dispose of March 2010 and earlier cases by September 30, 2010; and (3) SpeED 3 – to dispose of September 2010 and earlier cases by April 30, 2011.

Based on the figures below, Project SpeEDs 1, 2, and 3 implemented by the NLRC has succeeded in settling labor disputes, to wit:

<b>Project SpeED 1*</b> <i>(To dispose of April 2009 &amp; earlier cases by March 30, 2010)</i>					
Level	Enrolled Cases	Resolved Cases		Unresolved Cases	
		No. of Cases	(%)	No. of Cases	(%)
Commission Proper	9,817	9,391	96%	426	4%
Regional Arbitration Branches (RABs)	23,391	23,072	99%	319	1%
<b>TOTAL</b>	<b>33,208</b>	<b>32,463</b>	<b>98%</b>	<b>745</b>	<b>2%</b>

\*Period to resolve: eight (8) months or from July 2009 to March 2010.

<b>Project SpeED 2*</b> <i>(To dispose of March 2010 &amp; earlier cases by September 30, 2010)</i>					
Level	Enrolled Cases	Resolved Cases		Unresolved Cases	
		No. of Cases	(%)	No. of Cases	(%)
Commission Proper	1,772	1,616	91%	156	9%
Regional Arbitration Branches (RABs)	8,593	7,084	82%	1,509	18%

TOTAL	10,365	8,700	84%	1,665	16%
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*\*Period to resolve: three (3) months or from June to September 2010.*

<b>Project SpeED 3*</b> <i>(To dispose September 2010 &amp; earlier cases by April 30, 2011)</i>					
Level	Enrolled Cases	Resolved Cases		Unresolved Cases	
		No. of Cases	(%)	No. of Cases	(%)
Commission Proper	2,195	2,092	95%	103	5%
Regional Arbitration Branches (RABs)	11,363	10,392	91%	971	9%
TOTAL	13,558	12,484	92%	1,074	8%

*\*Period to resolve: three (3) months or from January to April 2011.*

Project SpeED 1 shows that the actual case disposed by the Regional Arbitration Branches (RABs) was 23,072 (99%) out of 23,391 enrolled cases, while at the Commission Proper, 9,391 (96%) out of 9,817 enrolled cases. Also, Project SpeED 2 shows that the actual case disposed by the Regional Arbitration Branches (RABs) was 7,084 (82%) out of 8,593 enrolled cases, while at the Commission Proper, 1,616 (91%) out of 1,772 enrolled cases.

Corollary, Administrative Order No. 02, Series of 2011 has activated Project SpeED 3 which mandates the bureaus and attached agencies to dispose September 2010 and earlier cases by April 30, 2011. Under Project SpeED 3, the Regional Arbitration Branches (RABs) successfully disposed 10,392 (91%) out of 11,363 enrolled cases, while at the Commission Proper, 2,092 (95%) out of 2,195 enrolled cases.

Verily, the table below shows the number and percentage of cases disposed of by agencies included in the Project SpeEDs, to wit:

OFFICE/ AGENCY	NO. OF ENROLLE D CASES	% SHARE OF ENROLLED CASES	NO. OF DISPOSED CASES	% SHARE OF DISPOSED CASES	OVERALL DISPOSITION RATE
Employees Compensation Commission (ECC)	1	0.01%	1	0.01%	100%
Bureau of Labor Relations (BLR)	83	0.39%	81	0.45%	98%
<b>National Labor Relations Commission (NLRC)</b>	<b>13,558</b>	<b>63.86%</b>	<b>12,484</b>	<b>69.48%</b>	<b>92%</b>
National Conciliation and Mediation Board (NCMB)	197	0.93%	187	1.04%	95%
Bureau of Working Conditions (BWC)	2,158	10.16%	2,051	11.41%	95%
Philippine Overseas and Employment Agency (POEA)	4,765	22.44%	2,866	15.95%	60%
Legal Service (LS)	469	2.21%	298	1.66%	64%
<b>GRAND TOTAL</b>	<b>21,231</b>	<b>100%</b>	<b>17,968</b>	<b>100%</b>	<b>85%</b>

Among the seven (7) agencies tasked to implement the Project SpeEDs, the NLRC has obtained the highest number and percentage of enrolled and disposed cases.

*Part IV*  
**OTHER ACCOMPANYING INFORMATION**

***Industry Classification***

**B**ased on the data gathered by the Research, Information and Publications Division of the NLRC, the classification by industry of the responding parties are as follows:

	<b>LOCAL INDUSTRY CLASSIFICATION*</b>	<b>% of Cases</b>
A	Agriculture	<b>3%</b>
B	Fishing	<b>0.2%</b>
C	Mining & Quarrying	<b>0.3%</b>
D	Manufacturing	<b>14%</b>
E	Electricity, Gas & Water	<b>1%</b>
F	Construction	<b>6%</b>
G	Wholesale & Retail Trade, Motor Sales, etc.	<b>12%</b>
H	Hotels & Restaurants	<b>4%</b>
I	Transportation, Storage & Communication	<b>9%</b>
J	Financial Intermediation	<b>4%</b>
K	Real Estate, Renting & Business Act	<b>5%</b>
L	Public Administration and Defense	<b>5%</b>
M	Education	<b>2%</b>
N	Health and Social Work	<b>1%</b>
O	Community, Social & Personal Services	<b>28%</b>
P	Activities of Private Household	<b>0.5%</b>
Q	Extra-territorial Organizations and Bodies	<b>4%</b>

	Activities not Adequately Defined	1%
	<b>Grand Total</b>	<b>100%</b>

\*Based on the National Economic Development Board (NEDA)

The most number of cases filed in the Regional Arbitration Branches (RABs) with a fraction of **28%** emanated from the community, social and personal services, followed by the manufacturing industry with **14%**. While the least cases emanated from electricity, gas and water industry with **1%**, and activities not adequately defined with also **1%**.

### *Nature of Cases*

*I*n 2010, the NLRC has received various labor cases arising from money claims, unfair labor practices, illegal dismissal, and other similar cases. The table below shows the data of nature of cases filed with the NLRC:

	<b>NATURE OF CASES</b>	<b>No. of Cases</b>	<b>% of Cases</b>
I	Money Claims	6,547	<b>24%</b>
II	Unfair Labor Practices	109	<b>0.5%</b>
III	Illegal Dismissal	1,002	<b>4%</b>
IV	Illegal Dismissal with Money Claims	18,280	<b>67%</b>
V	Unfair Labor Practices with Money Claims	108	<b>0.4%</b>
VI	ULP, Illegal Dismissal with Money Claims	217	<b>1%</b>
VII	Unfair Labor Practices with Illegal Dismissal	27	<b>0.1%</b>
VIII	Others	813	<b>3%</b>
	<b>Grand Total</b>	<b>27,103</b>	<b>100%</b>

Based on the foregoing data, illegal dismissal with money claims was the highest cases filed with the NLRC, with a fraction of **67%**. While the least cases filed was on unfair labor practice with illegal dismissal, with a fraction of **0.1%**.

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