



# LMC@WORK

NATIONAL CONCILIATION and MEDIATION BOARD  
Department of Labor and Employment

No. 1 Volume No. 2

September - October 2010

A story of successful LMC structure

# Doing the Lloyd's Way



## *A story of successful LMC structure*

# DOING THE LLOYDS WAY

**I**f there is one company that succeeded in setting a precedent in establishing a good rapport between the management and its employees, a pharmaceutical firm with an active operating structure on labor-management cooperation (LMC) is among them with its remarkable program to sustain industrial peace and harmony.

The Lloyd Laboratories, Inc., with 11 years of having an LMC structure called Lloyd Family Council (LFC), currently enjoys the stature of being an admirable company with its record low number and fast resolution of grievances.

The LFC's established systems primarily involve joint agenda determination and decision-making, feedback mechanism, information dissemination, monitoring and evaluation. These systems made an

impact on labor and management relations, quality of work life, and productivity and efficiency of the employees and the company itself.

The LMC structure was introduced to Lloyd in 1999 by the National Conciliation and Mediation Board (NCMB), an agency attached to the Department of Labor and Employment (DOLE), as part of the government program to promote industrial peace and harmony.

**“The Lloyd Family Circle was able to sustain mutual trust, respect and commitment to the company.”**

“The Lloyd Family Circle was able to sustain mutual trust, respect and commitment to the company,” says NCMB Executive Director Reynaldo R. Ubaldo. “This is proven by the low turnover of employees because they opt to stay in the company despite the lucrative offers from other companies here and abroad.”

To sustain peace and harmony in workplaces, the NCMB has been implementing its LMC program since 1988 not only to enhance labor relations but more so, to increase the productivity of the company and its workers.

The program primarily promotes the prevention as well as the non-



adversarial way of resolving disputes with problems being addressed at once. The Lloyd's LFC adopted the concept of LMC that includes, among others, the open door policy of the management, practicing the informal sit down with parties involved to resolve grievances.

Ubaldo cited as an example the policy initiated by the Circle (LFC) regarding promotion from the ranks. "It was very well accepted and justly implemented," he said. "It is simply a manifestation of how it lives to its vision to promote, preserve and strengthen, and in the long run, perpetuate the industrial peace and harmony existing between the management and employees for the growth and progress of Lloyd, its employees and their families."

Also, the LFC covers contractual employees who are given the benefits depending on the length of service. They are also represented in the LFC upon reaching one year of employment in the company.

The Lloyd Laboratories, Inc. is an unorganized manufacturing firm with a

## "In the 20 years of Lloyd Laboratories Inc. operations, there had never been a strike in the company."

total employment of 403. It is engaged in a wide range of services and expertise from registration to finished products. It manufactures tablets, coated tablets, capsules, powder for suspension, liquids, emulsions, lotions, creams, ointment, penicillin, non-penicillin, cephalixin, steroids, cosmetics and food supplements.

Lloyd, which has the biggest manufacturing facility at the First Bulacan Industrial City in Tikay, Malolos, Bulacan started its operations in Marikina in 1989. In its 20 years of

operations, there had never been a strike in the company.

The structure of LFC at Lloyd is placed under the office of the President, above the Departmental Employees Committee, and under Personnel Committee.

The Steering Committee is composed of five representatives from the management and seven from the workers' group. All work units elect 3-5 representatives, who in turn choose presiding officers who will be members of the LFC. The presiding officers choose among themselves the chairperson and the vice-chairperson. Management participates in the LFC through its Senior management representative and five others.

The six (6) sub-committees with a head and 3-5 members each are: the Grievance, Concern, Issues and Suggestions Committee (GCIS); Communications; Productivity; Health and Safety; Sports, Social & Recreations; and Food.

The LFC secretariat implements and administers new and existing benefit programs of the company.

Part also of the Lloyd's LMC is a Corporate Social Responsibility





program focused on community services and regular outreach programs such as medical missions / donations to different institutions and barangays. It encourages and practices environmental and waste management programs.

The NCMB acknowledges CSR as one of the essential elements of every company LMC that it plans to develop training modules on CSR. Recently, the NCMB conducted a seminar on CSR for its middle managers and technical staff as part of preparation in introducing CSR in the LMC program.

Meanwhile, among the employees' benefits initiated by and attributed to the LFC are rice subsidy, meal assistance,

health insurance, gain share / profit scheme, medical assistance program, retirement plan, upgrading of cash service award, and investment of the peso savings plan.

Training and Development activities and its compliance to R.A. 6971, or the Productivity Incentives Act of the OSHC Standards were considered as among the major impact of the labor-management cooperation in the company.

These factors brought the Lloyd Family Circle recognition from the NCMB in 2009 being named as one of the Best LMC that year under the category of unorganized establishment.

## What you need to know about LMC

### Principles of LMC

Labor-management cooperation provides an opportunity for labor and management to jointly resolve problems.

It does not require either party to lose its identity or relinquish its role.

It should be seen as a long-term effort designed to improve organizational effectiveness and not merely as a means to create problem solving teams.

LMC success often depends on how it is initiated.

CHANGE is essential for the survival and growth of any organization.

LMC can aid positive change, but is not by itself a universal cure all.

The greatest asset of any organization are its human resources.

LMC must be uniquely tailored to reflect the needs and culture of the specific company.

A successful LMC is one which requires enormous commitment from both parties.

LMC is simply a preferred way to work and live.

### EDITORIAL BOARD

Exec. Director IV REYNALDO R. UBALDO  
*Publisher/Adviser*

Dep. Exec. Director SHIRLEY M. PASCUAL  
*Project Director*

OIC Director ANTONIO R. VILLAFUERTE  
*Project Manager*

Dep. Exec. Director JOHNSON G. CAÑETE  
*Executive Editor*

Director JAY T. JULIAN  
*Managing Editor*

ESPERANZA P. RODRIGUEZ  
*Associate Editor*

Director DARROW P. ODSEY ROSANNA C. CRUZ  
*Contributors*

MICHELLETTE L. SALAZAR  
*Lay-out*



is published every two months by the National Conciliation and Mediation Board Department of Labor and Employment. All rights reserved.