

Benefits of the Employee in the Small-Scale Garments Business

Maria Esther F. Medalla, Ph. D.

Abstract— The study aimed to evaluate the benefits of the employee in the small-scale garment industries in Cebu. It focused on the employee’s benefits like leaves, healthcare, vacation, insurance and other benefits mandated by law. The respondents of the study are the sewers, owner/proprietor, cutter and other workers. It focused mainly on small-scale garment business that has a maximum of only five sewing machines that categorically belonged to small-scale business. The study utilized descriptive method using likert questionnaire to evaluate the types of benefits given by the employer to their workers. Data were analyzed to formulate interpretations and conclusions. The findings on the study showed that most of the employees working in the small-scale garment business did not receive all the benefits mandated by the law. Although they received healthcare such as SSS pension with minimal contribution but other benefits such as leaves, vacation and others were not properly given to them. The salary was per piece method, depending on their number output in a day, they do not have fixed monthly income since they cater only walk-in customers, alteration uniforms and gowns, this type of production have peak and non-peak season. Further findings showed that there were months that they do not have orders or garment production and the proprietor would suffer financially if workers would be paid in a monthly rate. However, if the proprietor will be forced to follow all the benefits that the employee should received the business would be bankrupt, it cannot sustain financially. Based on the findings it is recommended to have a win win situation for both the worker and proprietor, instead of giving a 13th month pay and other benefits instead, a bonus and incentives will suffice based on their attitude and performance. Further, the Department of Trade and Industry conducted seminars and trainings for small-scale and cottage industries it can be of help to them if they will be given a chance to participate in this type of activities.

Keywords—Business, Garment, Employee, Working benefits

I. INTRODUCTION

Clothing sector plays a significant role in the world’s economy. There are many large industries made from different brand names which are exported from different countries specifically in Asia. This type of export garment business can be from large and medium scale because it utilized a high-tech machinery with volumes of orders from overseas and local market. In an avenue of services for repairing, altering and custom-made dresses is catered by the small-scale garments business. This business can be set on cheap machines, cheap labor and cheap materials but with affordable prices for the finished product.

Cebu Technological University, Main Campus, Phillipines

These garments include RTW, custom-made, school, office and sports uniforms for men and women in all ages and small-scale garment business have existed for centuries.

In the Philippines small-scale/cottage garment business are common in the cities and provincial areas. It gives employment for the locals with low educational attainments but skilled enough to understand the intricate method of garment construction. Small-scale garments business alleviate the low employment status of the country, specially people who did not finished a degree and mothers who will not leave their homes but received an compensation that can help in the day to day living. This study aimed to evaluate the benefits received and enjoyed in the employees working in the small-scale garment business, it looked into the method of payroll, wages, holiday pay, premium pay, overtime, incentives, and leaves.

II. METHOD OF RESEARCH

The study utilized descriptive method with likert point-scale for gathering the data. The benefits of employee in small-scale garment business were analyzed and interpreted using verbal description from always to seldom receive. The study was conducted in Metro Cebu, focused on the profile of the garment business such as capital, number of years in operation and number of workers. Evaluation of the received benefits on method of payroll, wages, holiday pay, premium pay, overtime, incentives, and leaves were gathered , tallied and interpreted.

III. RESULTS AND DISCUSSION

Profile of the Business

It introduces the nature of product which informs us the type of garments was producing, capital, number of years in operation and number of workers including the sewers and other important workers.

TABLE 1
PROFILE OF THE SMALL-SCALE GARMENT BUSINESS

Production of garment	Total
Women	13
men	7
Men and women	30
Method of Payroll	
piece rate	28
pakyaw	20
task basis	2
daily paid	0
Capital	
Php. 50,000-100,000	25

Php. 100,001-300,000	15
Php. 300,001-500,000	8
Php. 50,001-above	2
Number of years in operation	
1-5	0
6-10	8
11-15	25
16 and above	17
Number of workers	
1-3	36
5-6	14
7-and above	0

Table 1 showed the production of garment, capital, years of operation and number of workers. The capital for this business starts up to Php.50, 000-100,000, because many of these businesses were located their homes, free from rental spaces and utilized the portable and ordinary sewing machines, other garments operations were finished by hand stitch. The mode of payroll is per piece, pakyaw and task basis, since orders and production is only from the local buyers and it does not come by thousands. Although it comes in an affordable capital, but it can stay in the business for beyond 15 years of operation, for clothing is one of the primary needs of men. The number of worker has an average of three including sewers, cutter and other work force.

Benefits of the Employee

Garment industry is one of the most potential businesses in the country; demands are coming from local to overseas buyers. It offers opportunities for local entrepreneurs that start capitals is not so high compared to other services and products. Services like altering, repairing, embroidery decorating will not need high tech sewing machines for some of these operations can be done by hand stitching. The small-scale business of garments is one of the businesses that are now booming in the Philippines. Benefits of the workers as mandated by the Philippine Government are shown in table 2. As shown in the table most of the workers were not paid using minimum wage because they are paid per piece based on the actual results finished daily. According to the Handbook of Statutory Monetary Benefits this type of business belongs to the Barangay Micro Business Enterprise (BMBEs) which engaged in production, processing, or manufacturing of products or commodities including trading and services whose total assets are not more than three million pesos shall be exempt from the coverage of minimum wage law, provided that employees shall be entitled to SSS and health care benefits. This means that it is right and lawful to pay the worker based on result or per piece, because small-scale garment business belongs to BMBEs enterprise.

There are 12 Holidays in every year in the Philippines according to article 94 this refers to the Holiday pay for the workers, the law states that retails, and services establishment which includes garment business for it is a servicing establishment is exempted to give pay, especially if there were less than 10 workers employed. As table 2 presented majority of the worker did not receive holiday pay because of this reason. This means that workers cannot ask for holiday pay if there were less than ten workers employed in the establishment.

However in the premium pay, which is the additional payment for working days performed within eight hours of those non-working days, like special and rest days. The law give exemption to those workers who are paid by results, piece rate, pakyaw or task basis and other nontime work, if their output rates are in accordance prescribed in the regulations, or it is fixed by the Secretary of Labor and Employment, otherwise employees will not be receiving premium pay. Based on the study there was no employee from the small-scale garment business receiving these types of benefits.

TABLE 2
BENEFITS OF THE EMPLOYEES

Benefits	always	Occasional	sometimes	seldom	never
Minimum wage	11	0	0	0	39
Holiday pay	1	0	0	0	49
Premium pay	0	0	0	0	50
Overtime pay	0	0	0	20	30
Incentive leave	0	0	0	0	50
Maternity leave	2	0	0	0	48
Paternity leave	1	0	0	0	49
13 th month pay	1	1	1	0	47
Phil health	15	0	0	0	35
SSS	15	0	0	0	35
Total	45	1	1	20	432

The minimum wage known as RA 6727 known as the Wage As to overtime pay those workers enjoying the premium pay will precisely have the overtime pay. There were twenty workers seldom received the overtime pay from their employers, it means that work performed beyond eight hour were being paid by hour especially if there will be rush production of garments. Incentives leave is given to the employees that already rendered at least one year of continued service, it is transferrable into cash five working days or leave of five days with pay, based on the study incentive leave was not receive by the workers since establishment with less than ten workers are exempted to give incentive leaves and there were mostly six workers employed in this type of business.

Maternity leave covers for female employees married or unmarried. Employees receiving this type of benefit should be pregnant, miscarriage, normal delivery or caesarian. All workers with SSS are entitled for maternity leave covering sixty days for miscarriage and normal delivery and seventy-eight days in case of caesarian, based on the data there were two who received maternity leave and forty-eight workers who did not receive, thus the data does not specify male and female workers, and one for paternity, thus majority of these employees did not enjoy maternity and paternity leaves.

The 13th month pay is equivalent to a month salary without

taxes and the most important benefits for all employees; it is intended for holiday season like Christmas and New Year. The 13th month pay should be given not later than December 24, for some establishment is divided into two bonuses as mid-year and end year bonus. In the gathered data for benefits received for small-scale garment employee there were forty-seven (47) who did not receive 13th month pay, according to the handbook on workers statutory monetary benefits, it states that workers paid on per rate basis were entitled to receive 13th month pay. It implies that most of the employees or workers in this type of business whether per piece rate, pakyaw, task basis and especially those with daily rate whether less than nine (9) workers were permitted and entitled to receive 13th month pay as mandated by the law.

The National Health Insurance Program known as Medicare is a health insurance for SSS members in the private sector and their dependents who may need financial aid during hospitalization. It covers all employed members in the government and private, individual paying members like self-employed, overseas, professionals, and those that are in private practice. Non-paying members like retirees and pensioners of GSIS and SSS, members who reached to the retirement age and reached 120 monthly contributions and indigent members can avail of Phil health benefits. Health services as inpatient hospital care covers room and board, services of health care professionals, diagnostic and other medical examination, use of surgical and medical equipment, drugs and inpatient packages. Benefits for outpatient care includes services of health care professionals; laboratory and other medical examination, personal preventive services; drugs and emergency and transfer services. All of these benefits can be availed if the employee is a member of SSS. The law does not state the number of employees working in an establishment; this means that it is compulsory coverage for workers paid by piece, pakyaw, and others. The data showed that out of fifty (50) there were fifteen (15) employees who enjoyed the benefit; the rest did not receive it.

Social Security benefits covers death, disability, sickness, maternity and old age, this is a total package for the employees for their well-being. This makes very important benefits when working in the private sector. A private employee whether permanent, temporary or provisional, a household helper earning at least one thousand pesos a month (Php. 1,000) is subject to compulsory coverage. This implies that, employees in the small-scale garment business paid by per piece, pakyaw, task basis and daily rate earning at least one thousand pesos (Php. 1,000.00) a month is mandatory for the SSS benefits. Table 2 showed fifteen (15) employees who were beneficiary of SSS, and there were thirty-five (35) employees that did not have SSS premium. It is necessary that SSS be given to the employees for their hospitalization, leaves and old age benefits, Department of Labor have to strengthen its campaign for SSS membership to the different types of workers.

IV. CONCLUSION

The Department of Labor and Employment (DOLE) in the Philippines provide a clear and detailed list of benefits that an employee received in any type of payrolls. In the field of

small-scale businesses for trading, services and production including garment business it is apparent that there are benefits that employees of per piece rate, pakyaw system and other workers paid by results should receive the 13th month pay and SSS membership. SSS membership is a vehicle to uplift and boost the morale of the employees in the small-scale businesses. These employees helped the local entrepreneurs for the country's economy and in return benefits entitled to them should be received and given freely. Seminars and trainings from Department of Labor and Employment can help employees learned their right and ask for it from the employers or owners of the business.

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Maria Esther Friolo Medalla was born in Cebu, Philippines. She has a master's degree in Vocational Education and Doctor's degree in Philosophy. Currently she is handling subjects for undergraduate students major in Garments Technology