JOB-SKILL
Mismatch:
Is there an Effective and Quick solution?

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Bureau of Local Employment
DEPARTMENT OF LABOR AND EMPLOYMENT
Key Employment Indicators: Philippines

<table>
<thead>
<tr>
<th>INDICATOR</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013*</th>
<th>2014*</th>
<th>JULY 2015*P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
<td>2013*</td>
<td>2014*</td>
<td>JULY 2015*P</td>
</tr>
<tr>
<td>Household Population (15 years old and over)</td>
<td>60,717</td>
<td>61,882</td>
<td>62,985</td>
<td>61,176</td>
<td>62,189</td>
<td>64,070</td>
</tr>
<tr>
<td>Labor Force ('000)</td>
<td>38,893</td>
<td>40,006</td>
<td>40,426</td>
<td>39,088</td>
<td>40,050</td>
<td>41,231</td>
</tr>
<tr>
<td>Employed Persons ('000)</td>
<td>36,035</td>
<td>37,192</td>
<td>37,600</td>
<td>36,286</td>
<td>37,310</td>
<td>38,453</td>
</tr>
<tr>
<td>Unemployed Persons ('000)</td>
<td>2,859</td>
<td>2,814</td>
<td>2,826</td>
<td>2,801</td>
<td>2,740</td>
<td>2,778</td>
</tr>
<tr>
<td>Underemployed Persons ('000)</td>
<td>6,762</td>
<td>7,163</td>
<td>7,514</td>
<td>6,912</td>
<td>6,870</td>
<td>7,049</td>
</tr>
<tr>
<td>Labor Participation Rate (%)</td>
<td>64.1</td>
<td>64.6</td>
<td>64.2</td>
<td>63.9</td>
<td>64.4</td>
<td>64.4</td>
</tr>
<tr>
<td>Employment Rate (%)</td>
<td>92.0</td>
<td>92.8</td>
<td>93.1</td>
<td>92.8</td>
<td>93.2</td>
<td>93.3</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
<td>8.0</td>
<td>7.2</td>
<td>7.0</td>
<td>7.2</td>
<td>6.8</td>
<td>6.7</td>
</tr>
<tr>
<td>Underemployment Rate (%)</td>
<td>18.8</td>
<td>19.3</td>
<td>20.0</td>
<td>19.0</td>
<td>18.4</td>
<td>18.3</td>
</tr>
<tr>
<td>Youth Unemployment Rate (%)</td>
<td>17.6</td>
<td>16.3</td>
<td>16.2</td>
<td>16.1</td>
<td>15.8</td>
<td>15.8</td>
</tr>
</tbody>
</table>

* Estimates exclude figures for Leyte province
P - Preliminary
Youth composes **half** of the unemployed population

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 y/o</td>
<td>50.4%</td>
<td>1.351 M</td>
</tr>
<tr>
<td>25-54 y/o</td>
<td>46.3%</td>
<td>1.241 M</td>
</tr>
</tbody>
</table>

Youth unemployment rate is **more than twice** the national rate

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Rate</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 y/o</td>
<td>6.5%</td>
<td>1.351 M</td>
</tr>
<tr>
<td>25-54 y/o</td>
<td>16.4%</td>
<td>1.241 M</td>
</tr>
</tbody>
</table>

Source: July 2015 Labor Force Survey Results, Institute for Labor Studies

*Excludes figure for Region VIII or Eastern Visayas.*
A considerable part of the unemployed population consists of educated workers – most probably the young ones.

44.5% or 1.192 M of the total unemployed have reached or graduated from HIGH SCHOOL (vs. 42.9% or 1.192 M in July 2014)

About 0.960 M of the total unemployed population have reached or graduated from COLLEGE or about 35.8% (vs. 36.4% or 1.012 M in July 2014)

Source: July 2015 Labor Force Survey Results, Institute for Labor Studies
*Excludes figure Leyte Province
The school-to-work transition for many young Filipinos is associated with change, waiting, and uncertainty. It takes a high school leaver up to 3 years to find a first job and 4 years to find a permanent wage job. It takes a college graduate 1 year to find a first job and up to 2 years to find a permanent job.

The youth’s educational attainment, age, behavior towards job searching, his family, social network, minimum wage, regulations and restrictions on employment arrangements are as strong factors influencing their school-to-work transition.

The Filipino youth’s slow transition from school to work reduces their chances of finding a good job because their ‘employability’ diminishes.

The transition period may include the following:
- Job search behavior
- Short term skills training
- Temporary work, household duties
- Inactivity – staying at home out of employment, education and training (NEET)

How Does the Philippines Compare with Other Countries?  
(Source: OECD, ADB for Philippines)

<table>
<thead>
<tr>
<th></th>
<th>ER one year after leaving school</th>
<th>ER five years after leaving school</th>
<th>Median time in years to Find First Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>75%</td>
<td>78%</td>
<td>0.1</td>
</tr>
<tr>
<td>Switzerland</td>
<td>82%</td>
<td>85%</td>
<td>0.7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>80%</td>
<td>85%</td>
<td>1.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>85%</td>
<td>90%</td>
<td>1.0</td>
</tr>
<tr>
<td>Italy</td>
<td>50%</td>
<td>70%</td>
<td>3.0</td>
</tr>
<tr>
<td>Spain</td>
<td>65%</td>
<td>80%</td>
<td>2.7</td>
</tr>
<tr>
<td>Greece</td>
<td>50%</td>
<td>75%</td>
<td>3.2</td>
</tr>
<tr>
<td>Philippines</td>
<td>60%</td>
<td>70%</td>
<td>2.0-3.0</td>
</tr>
</tbody>
</table>
About 1 in 4 youth are not in employment, education and training system at any one time
- Prolong periods in NEET can damage youth future labor market prospects

Women in particular are at risk of becoming NEET
- About one in three young women are in NEET at any one time

Young people from lower income families more at risk of becoming NEET after finishing education

Philippines NEET Rates are relatively high on an international comparison

How Does the Philippine NEET Rate Compare with Other Middle-Income Countries?

The chart compares the share of youth population in NEET across various countries. The x-axis represents the share of youth population in NEET, ranging from 0 to 35. The countries listed from top to bottom are Thailand, EU27, OECD, Mexico, Argentina, Brazil, Philippines, India, Indonesia, Bangladesh, and Turkey. The Philippines have a lower NEET rate compared to other countries like Bangladesh and Turkey.
Percent Share of Establishments by Skills Considered Important in the Recruitment of Applicants for Entry Level Jobs, Philippines: 2011

- Teamwork including interpersonal skills: 97.6%
- Flexibility and adaptability skills: 96.6%
- Communication skills (oral and written): 95.3%
- Computing/Mathematical skills: 85.6%
- Problem-solving and decision-making skills: 84.9%
- Leadership, critical and creative thinking skills: 82.6%
- Organization, managing and planning skills: 80.6%
- Negotiation skills: 74.5%
- IT and computer skills: 74.7%
- Machine and equipment operation skills: 70.5%

Source: Philippine Statistics Authority, 2011/2012 BLES Integrated Survey (BITS)
recruitment and hiring

TOP 5 Behavioral Skills hirers look for in Fresh Graduates

1. Willingness to learn
2. Initiative
3. Honesty & Integrity
4. Self-motivated/self-starter
5. Self-confidence

TOP 5 Functional Skills hirers look for in Fresh Graduates

1. Communication skills
2. Trainability
3. Competence
4. Problem solving and analytical skills
5. Tech know-how

## Types of Labor Market Mismatch

<table>
<thead>
<tr>
<th>Skills Mismatch</th>
<th>Qualification Mismatch</th>
<th>Regional and Sectoral Mismatch</th>
</tr>
</thead>
</table>
| Mismatch between the skills (i.e. generic, technical and soft skills) held by workers and those required by their jobs. Skills mismatches involve:  
  - **Skill deficit (skill gap)** - worker’s skills are not up to the requirements of the job  
  - **Skill underutilisation (overskilling)** - arises when skills exceed those required by the job. | Mismatch between educational qualifications (i.e. formal academic skills) held by workers and those required by their jobs. Two situations may arise:  
  - **Over-education** - a worker has more educational qualifications than those required  
  - **Under-education** - a worker has fewer educational qualifications than those required. | Depending on regional and sectoral employment and unemployment dispersion, this arises when the locations and sectors where job openings are available are poorly matched with potential employees. |

Understanding the relationship between skills supply and demand

Skills demand

Skills supply

Skills gaps and shortages

High skill equilibrium

Low skill equilibrium

Skills surplus

Source: OECD, 2015.
“Before, the signs we would always see proclaimed, ‘No Vacancy,’ didn’t they? Today, announcements that say, ‘For Immediate Hiring’ are scattered everywhere; you need only open a newspaper to see classified ads from many companies who are hiring... This is happening precisely because we have worked to address what is called the job-skills mismatch...

The solution to this was also simple: Talk to prospective employers and ask them what skills are demanded by the positions they are opening. Now, it is in these skills that we train Filipinos, so that they can maximize opportunities.”

- PRES. BENIGNO S. AQUINO III, SONA 2015
Human Development Poverty Reduction Cabinet Cluster

TWG on Jobs-Skills Matching

DepEd
CHED
DOLE
TESDA
DOST
PRC
Job-Skill Matching Agenda

1. Enhanced Basic Education Curriculum (K to 12)
2. Philippine Qualifications Framework
3. Career Guidance Advocacy Program
4. Enhanced Phil-JobNet
Review of Education and Training Curriculum

PRC

CHED

TESDA

DepEd

Continuing Professional Education

Higher Education

Tech-Voc

Basic Education

DEPARTMENT OF LABOR AND EMPLOYMENT
CAREER GUIDANCE ADVOCACY PROGRAM

DOLE
Career Advocacy Congress

DepEd
Career Guidance Week

TESDA
Career Ambassadors

DOST
CGAP Social Networking

PRC
Capacity-building for RGCs and CAs

CHED
Career Guidance Week Info Blitz
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the guide

the future

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(noun. Filipino word meaning “job”)

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View
- News articles posted in PhilJobNet
- Job Fair Schedule by Region
- Job Searching Tips
  - Resume Tips
  - A Good Cover Letter
  - How to Market Yourself in a Job Interview

Download
- LMI publications
  - Industry Career Guides
  - Career Information Pamphlets
- Career Information Resources
- Guiding Youth Careers (handbook for those who help young jobseekers)
- Minute Guide for Young Jobseekers

Download our mobile app on Google Play and App Store
PH LMI Systems

Data Sources

- Future Expansion
  - CHED
  - DOH
  - DOST
  - NRCO

- Data Sharing
  - POEA
  - TESDA
  - PRC
  - NMP

Skills Registry System

Data Warehouse

Bureau of Local Employment

Data Processing

Multi-channel Tools

- IEC/Publications
- Mobile Application
- Internet browser
- Job Search Kiosk
- PhilJobNet Helpdesk

Data Sources

- DOST
- DOH
- CHED
- NRCO

Future Expansion

PhilJobNet

Barangay

POEA

TESDA

PRC

NMP
a "live" registry of skills that also serves as IT-based database at PESOs to facilitate referral and placement of jobseekers, given the available job vacancies of establishments at the community level.
The Talent Score Card

Current Position: 
Employed at: 
Salary: 
Salary Expectations: 

Results from skills tested:

- Creative Problem Solving: 35%
- Critical Thinking: 60%
- Decision Making: 90%
- Oral Expression: 60%
- Written Communication: 100%
- Functional: 80%
- Innovation: 80%
- Media Functional: 80%
- Marketing: 100%
- Logical Thinking: 70%
- Planning & Organizing: 100%
- Problem Sensitivity: 60%
- Sensitivity: 70%
- Self Motivation: 80%
- Social: 60%
- Perseverance: 80%
- Stress Tolerance: 80%
- Teamwork: 100%
- Workplace Ethics: 80%

Overall skills: 85%

Other related information:

Reference: No Data Provided

Skills assessment: Excellent

www.TestedTalent.com
skills data warehouse

an online verification of applicant information on skills certification and accreditation, licensure, and local and overseas employment data from government data hubs.

- Overseas Workers
- TVET training and assessments/certifications
- Professional licensures
- Maritime professions
- Higher Education
- Health Professions
- Reintegration of OFWs
### KEY EMPLOYMENT GENERATORS

<table>
<thead>
<tr>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agribusiness</td>
</tr>
<tr>
<td>Mining</td>
</tr>
<tr>
<td>Manufacturing</td>
</tr>
<tr>
<td>Power</td>
</tr>
<tr>
<td>Construction</td>
</tr>
<tr>
<td>IT-BPM</td>
</tr>
<tr>
<td>Health and Wellness</td>
</tr>
<tr>
<td>Hotel, Restaurant and Tourism</td>
</tr>
<tr>
<td>Wholesale &amp; Retail Trade</td>
</tr>
<tr>
<td>Banking and Finance</td>
</tr>
<tr>
<td>Transport and Logistics</td>
</tr>
<tr>
<td>Ownership, Dwellings, and Real Estate</td>
</tr>
<tr>
<td>Education</td>
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</tbody>
</table>

### EMERGING INDUSTRIES

<table>
<thead>
<tr>
<th>Industry</th>
</tr>
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<tbody>
<tr>
<td>Renewable Energy</td>
</tr>
<tr>
<td>Shipbuilding</td>
</tr>
</tbody>
</table>
in-demand occupations

refer to active job vacancies posted/advertised recurrently by and across establishments.

hard-to-fill occupations

are job vacancies for which an establishment has encountered difficulties in managing the recruitment process.
LMI publications
Take away...

- Increase participation in school (Kto12, scholarships)
- Enrich internship/OJT program (integration of soft skills)
- Industry immersion program for teachers/trainers
- Labor market information signals/exchange
- Career guidance for prospective entrants to labor market
- Client-oriented – youth, senior, differently abled
- Recognize industry and local innovative practices... provide incentives
- Paradigm shift ➔ full cycle employment services
- Getting a clearer picture of skills mismatches at local level
THANK YOU!
MARAMING SALAMAT!

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