

JOB-SKILL

Mismatch:

Is there an **Effective** and
Quick solution?

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Bureau of Local Employment

DEPARTMENT OF LABOR AND EMPLOYMENT

employment situationer

Key Employment Indicators: Philippines 2010-2014, July 2014-2015

INDICATOR	2010	2011	2012	2013*	2014*		JULY 2015* ^P
					AVE. ^P	JULY	
Household Population (15 years old and over)	60,717	61,882	62,985	61,176	62,189	64,070	65,116
Labor Force ('000)	38,893	40,006	40,426	39,088	40,050	41,231	41,024
Employed Persons ('000)	36,035	37,192	37,600	36,286	37,310	38,453	38,344
Unemployed Persons ('000)	2,859	2,814	2,826	2,801	2,740	2,778	2,680
Underemployed Persons ('000)	6,762	7,163	7,514	6,912	6,870	7,049	7,989
Labor Participation Rate (%)	64.1	64.6	64.2	63.9	64.4	64.4	63.0
Employment Rate (%)	92.0	92.8	93.1	92.8	93.2	93.3	93.5
Unemployment Rate (%)	8.0	7.2	7.0	7.2	6.8	6.7	6.5
Underemployment Rate (%)	18.8	19.3	20.0	19.0	18.4	18.3	20.8
Youth Unemployment Rate(%)	17.6	16.3	16.2	16.1	15.8	15.8	16.4

Source: Philippine Statistics Authority, averages of four (4) rounds of 2010-2014, and July 2014-2015 Labor Force Surveys (LFS)

* Estimates exclude figures for Leyte province

^P - Preliminary

employment situationer

JULY 2015 LFS:

Youth composes **half of the
unemployed population**

50.4%

or 1.351 M 15-24 y/o

(vs. 49.3% or 1.370 M in July 2014)

46.3%

or 1.241 M 25-54 y/o

(vs. 46.8% or 1.300 M in July 2014)

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

6.5%

(vs. 6.7 % in July 2014)

Youth unemployment rate

16.4%

(vs. 15.8% in July 2014)

Youth unemployment rate

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

*Excludes figure for Region VIII or Eastern Visayas.



employment situationer

JULY 2015 LFS:

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*



school-to-work transition

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

Source: Bird, K. 2012. Are Filipino Youth off to a Good Start? Youth Labor Market Experience in the Philippines. ADB. Manila.



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)

Source: Bird, K. 2012. Are Filipino Youth off to a Good Start? Youth Labor Market Experience in the Philippines. ADB. Manila.



How Does the Philippines Compare with Other Countries?

(Source: OECD, ADB for Philippines)

	ER one year after leaving school	ER five years after leaving school	Median time in years to Find First Job
Germany	75%	78%	0.1
Switzerland	82%	85%	0.7
United Kingdom	80%	85%	1.8
Netherlands	85%	90%	1.0
Italy	50%	70%	3.0
Spain	65%	80%	2.7
Greece	50%	75%	3.2
Philippines	60%	70%	2.0-3.0

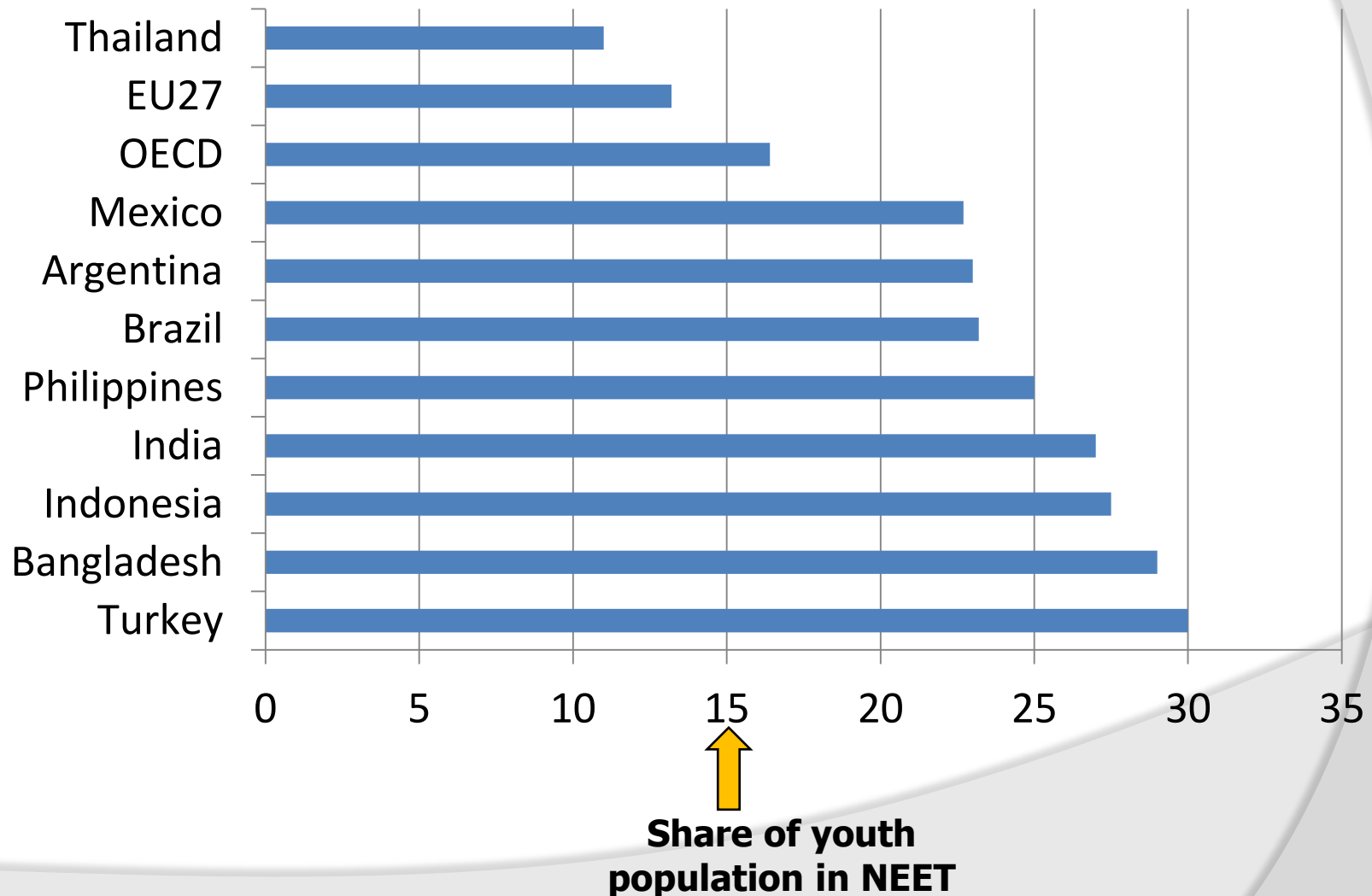
youth NEET

- **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**

Source: Bird, K. 2012. Are Filipino Youth off to a Good Start? Youth Labor Market Experience in the Philippines. ADB. Manila.

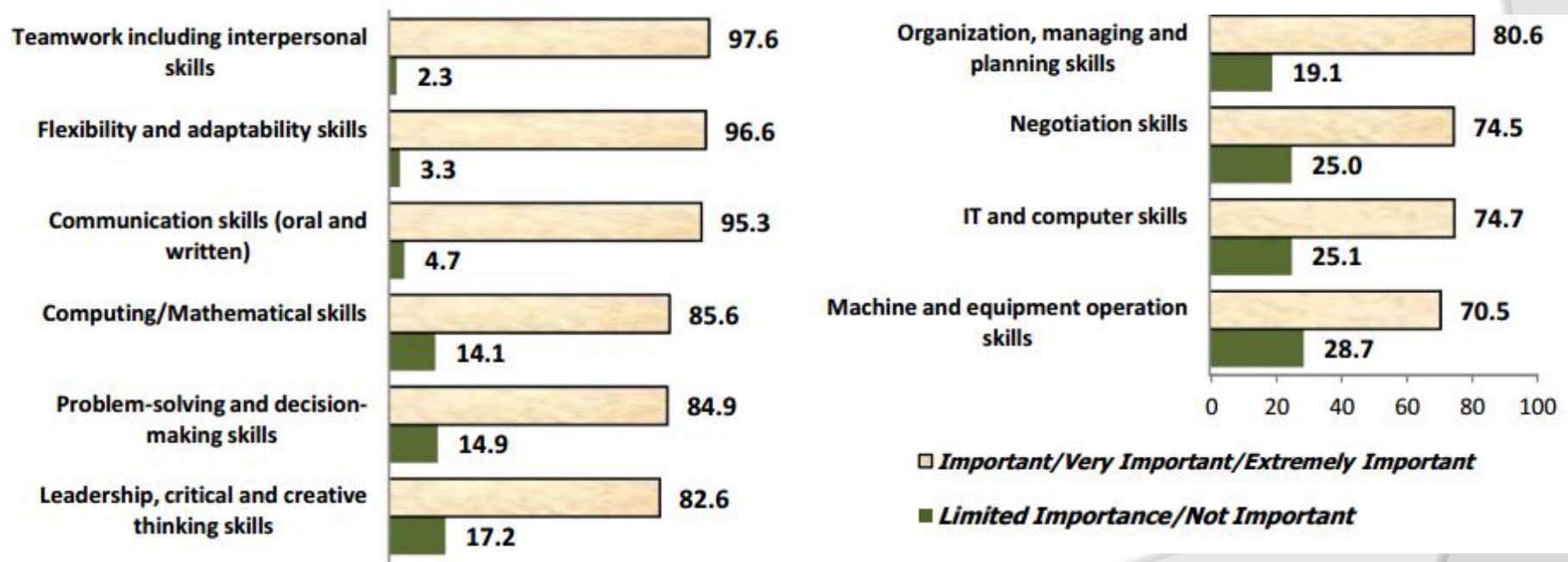


How Does the Philippine NEET Rate Compare with Other Middle-Income Countries?



recruitment and hiring

**Percent Share of Establishments by Skills
Considered Important in the Recruitment of
Applicants for Entry Level Jobs, Philippines: 2011**



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

A survey of hirer preferences on Fresh Graduates was conducted from February 2 to 15, 2015 with a sample size of 450 corporate partners across all segments and locations.

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

A survey of hirer preferences on Fresh Graduates was conducted from February 2 to 15, 2015 with a sample size of 450 corporate partners across all segments and locations.

Source: Jobstreet.com Philippines. Jobstreet.com Philippines' Fresh Graduates 2015 Job & Salary Report, dated 24 March 2015



types of labor market mismatch

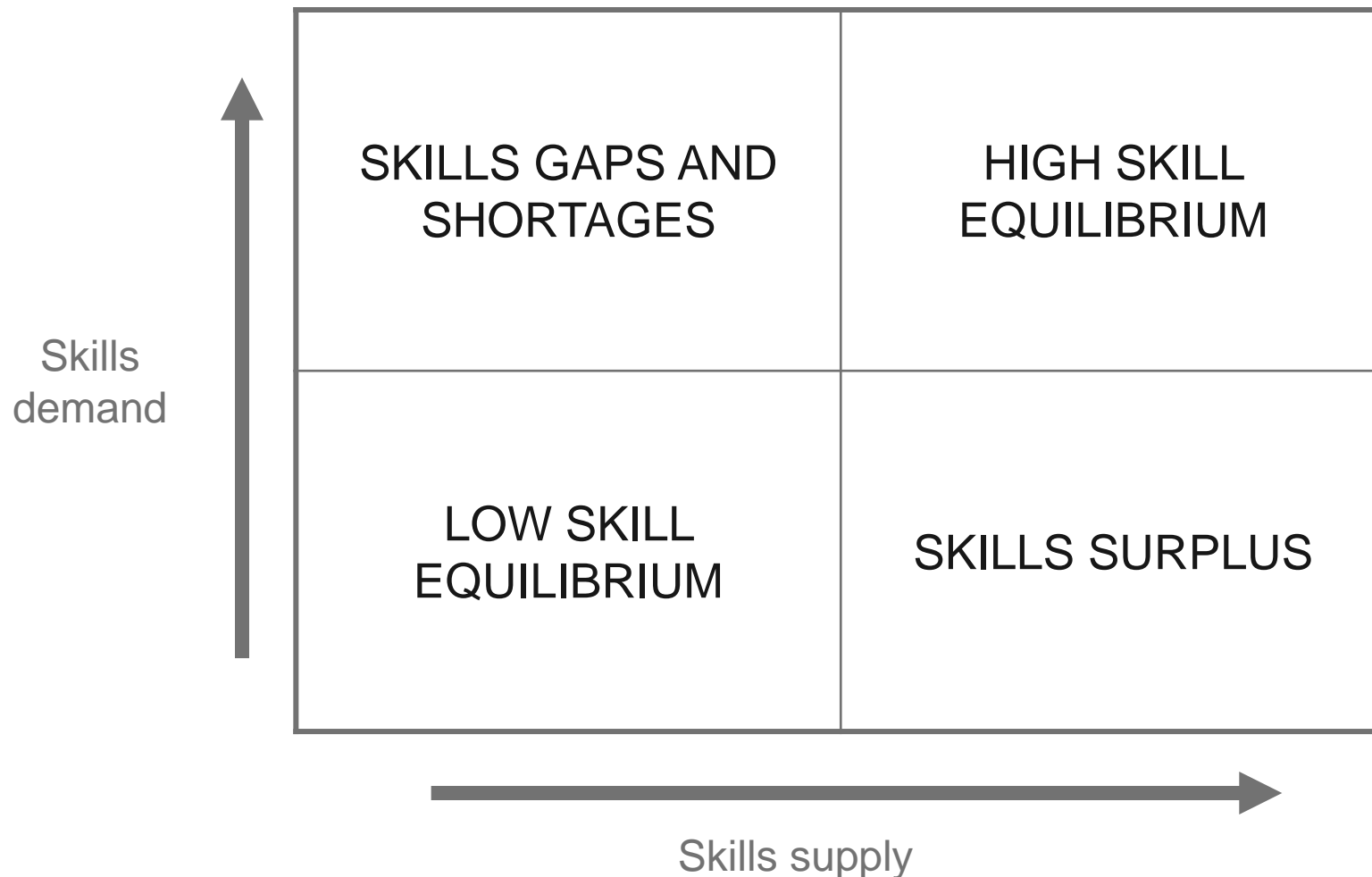
Skills Mismatch	Qualification Mismatch	Regional and Sectoral Mismatch
<p>Mismatch between the skills (i.e. generic, technical and soft skills) held by workers and those required by their jobs. Skills mismatches involve:</p> <ul style="list-style-type: none">• Skill deficit (skill gap) - worker's skills are not up to the requirements of the job• Skill underutilisation (overskilling) - arises when skills exceed those required by the job.	<p>Mismatch between educational qualifications (i.e. formal academic skills) held by workers and those required by their jobs. Two situations may arise:</p> <ul style="list-style-type: none">• Over-education - a worker has more educational qualifications than those required• Under-education - a worker has fewer educational qualifications than those required.	<p>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.</p>

Source: 2012, European Commission, Europe 2020.

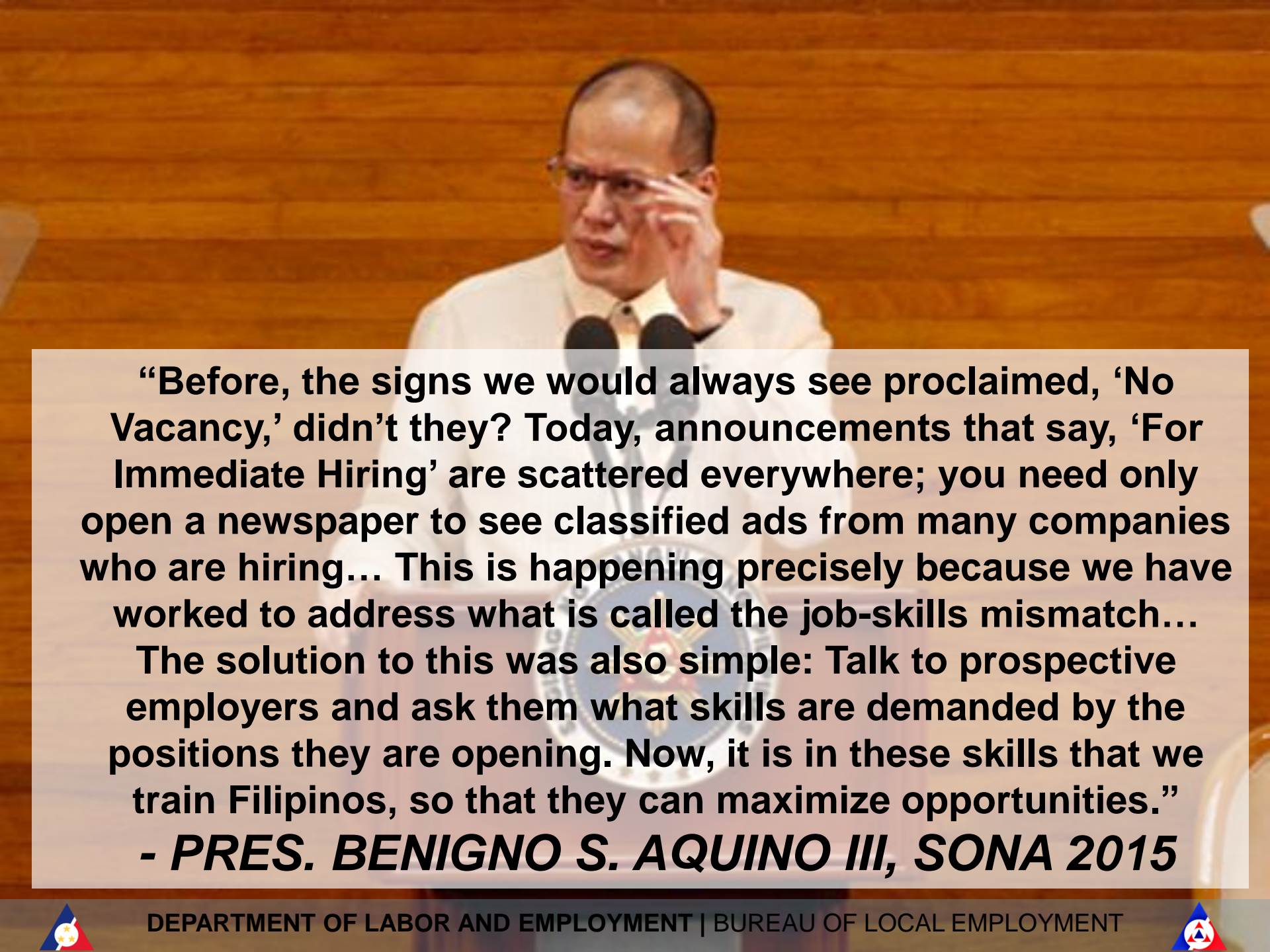




Understanding the relationship between skills supply and demand



Source: OECD, 2015.

A photograph of President Benigno S. Aquino III speaking at a podium. He is wearing a white shirt and glasses, and is gesturing with his right hand near his face. The background is a wooden wall. A semi-transparent text box is overlaid on the lower half of the image.

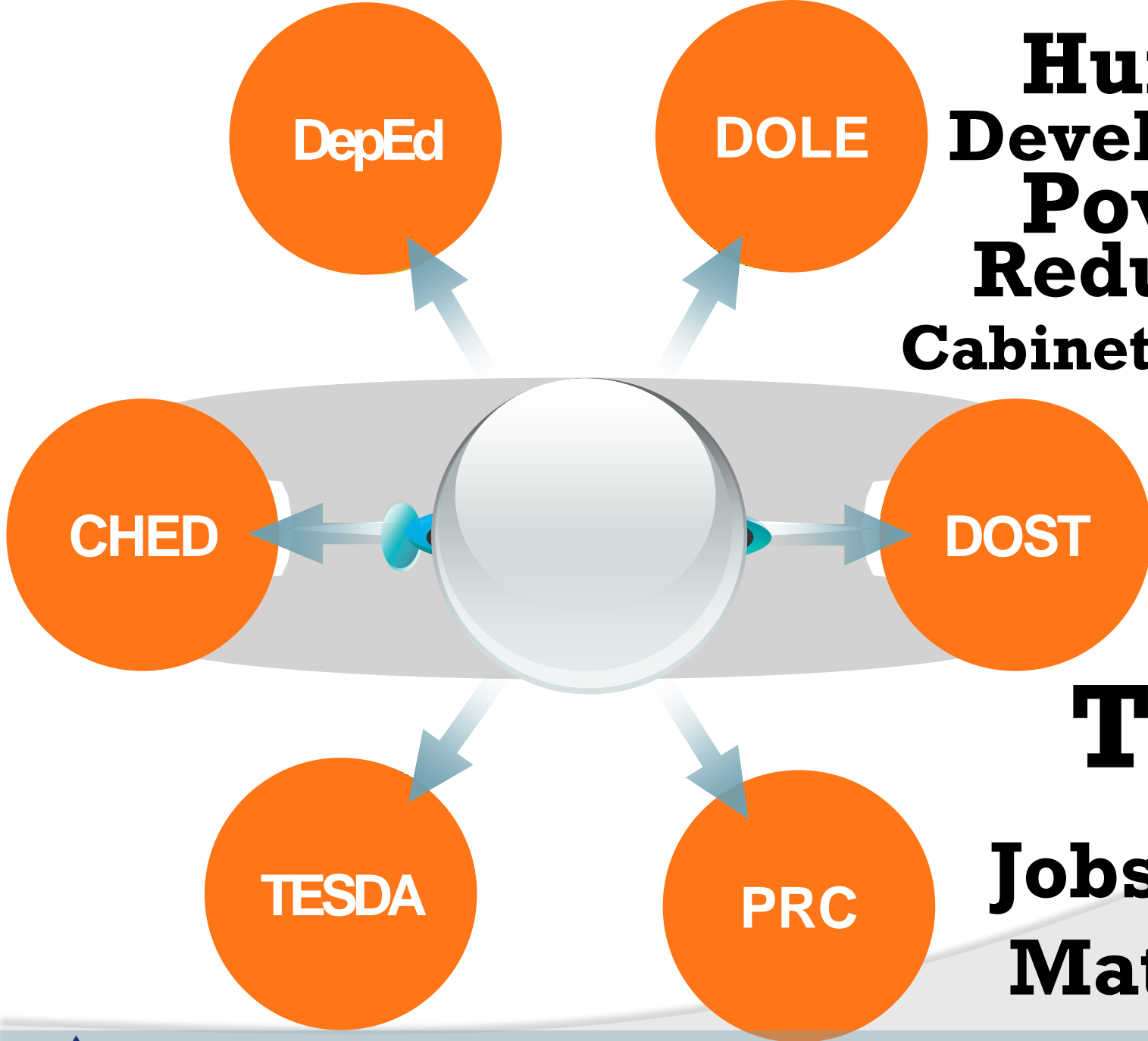
“Before, the signs we would always see proclaimed, ‘No Vacancy,’ didn’t they? Today, announcements that say, ‘For Immediate Hiring’ are scattered everywhere; you need only open a newspaper to see classified ads from many companies who are hiring... This is happening precisely because we have worked to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



Job-Skill Matching Agenda



1

Enhanced Basic Education Curriculum (K to 12)

2

Philippine Qualifications Framework

3

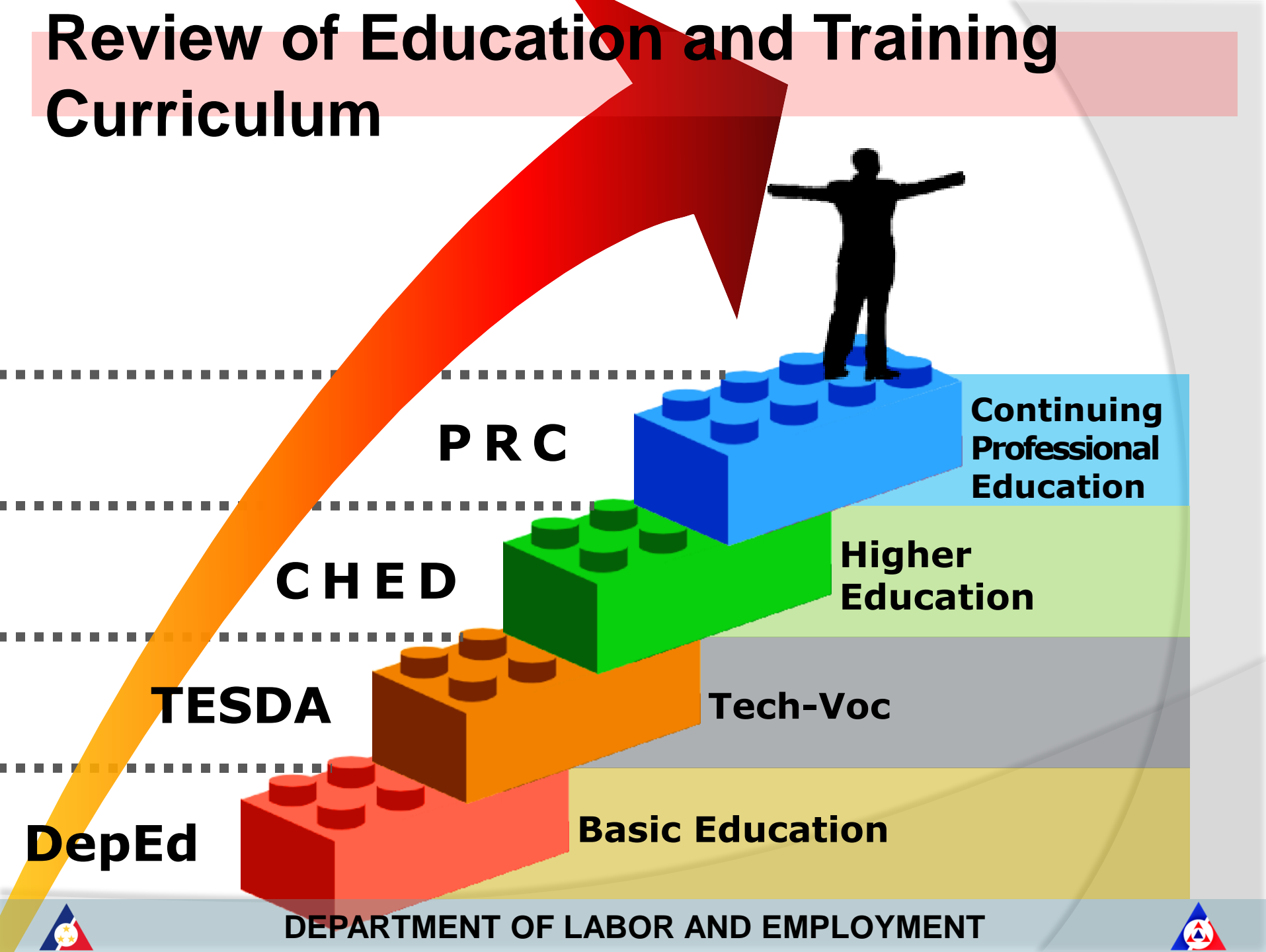
Career Guidance Advocacy Program

4

Enhanced Phil-JobNet



Review of Education and Training Curriculum



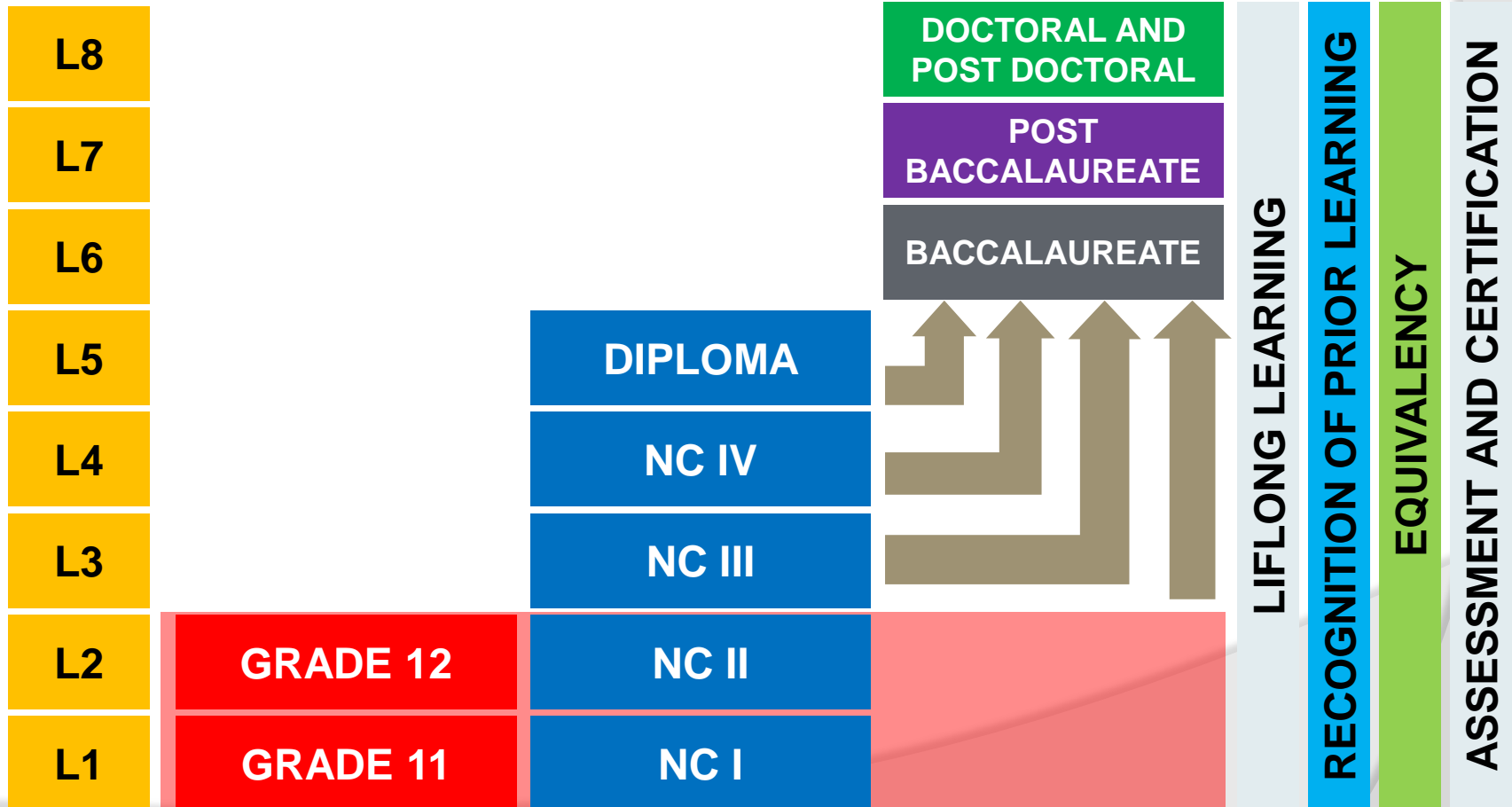
PHILIPPINE QUALIFICATIONS FRAMEWORK

WAGE EMPLOYMENT / ENTREPRENEURSHIP /
SELF-EMPLOYMENT

BASIC
EDUCATION

TECHNICAL
EDUCATION AND
SKILLS
DEVELOPMENT

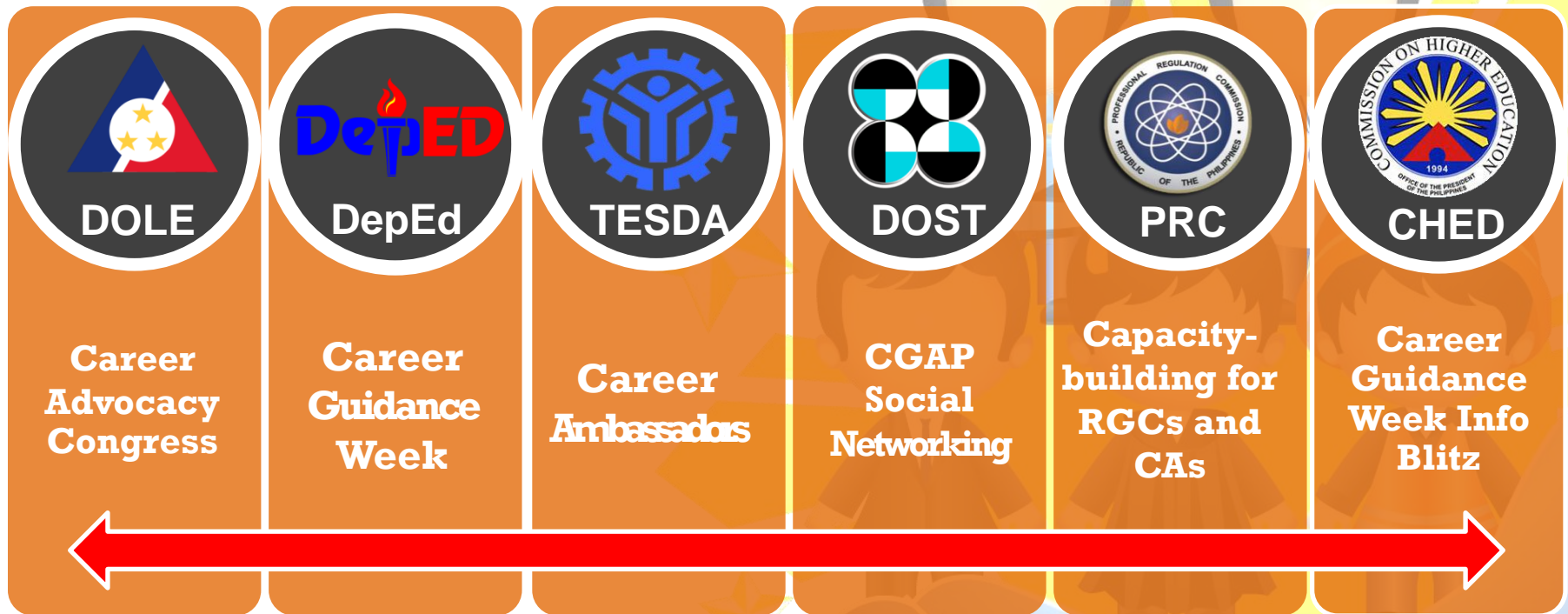
HIGHER
EDUCATION



DEPARTMENT OF LABOR AND EMPLOYMENT



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Search by position and by location (region)

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

PH LMI Systems

Data Sources

Future Expansion



Data Sharing



Multi-channel Tools



IEC/Publications



Mobile Application



Internet browser



Job Search Kiosk



PhilJobNet Helpdesk



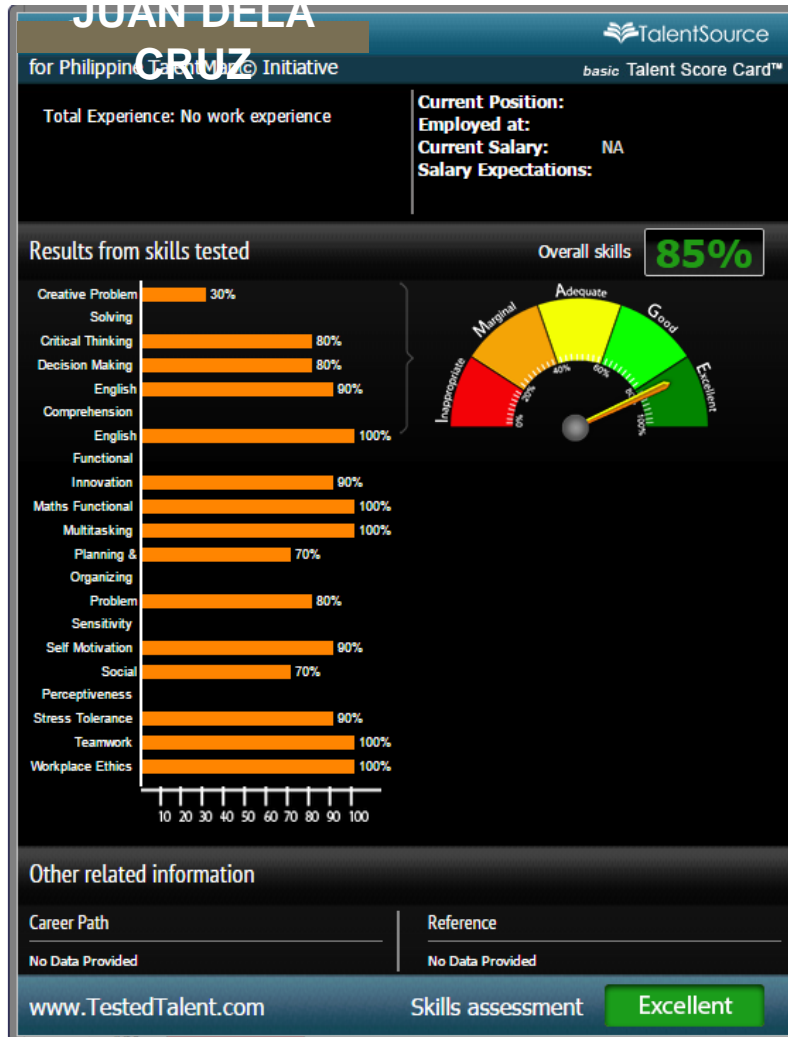
Skills Registry System

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.



PHILIPPINE TALENTMAP

COMPREHENSIVE TALENT PROFILE



The Talent Score Card

skillsdata 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

Agribusiness

Mining

Manufacturing

Power

Construction

IT-BPM

Health and Wellness

Hotel, Restaurant and Tourism

Wholesale & Retail Trade

Banking and Finance

Transport and Logistics

Ownership. Dwellings. and

Ownership, Dwellings, and Real Estate

Education

EMERGING INDUSTRIES

Renewable Energy

Shipbuilding



in-demand occupations

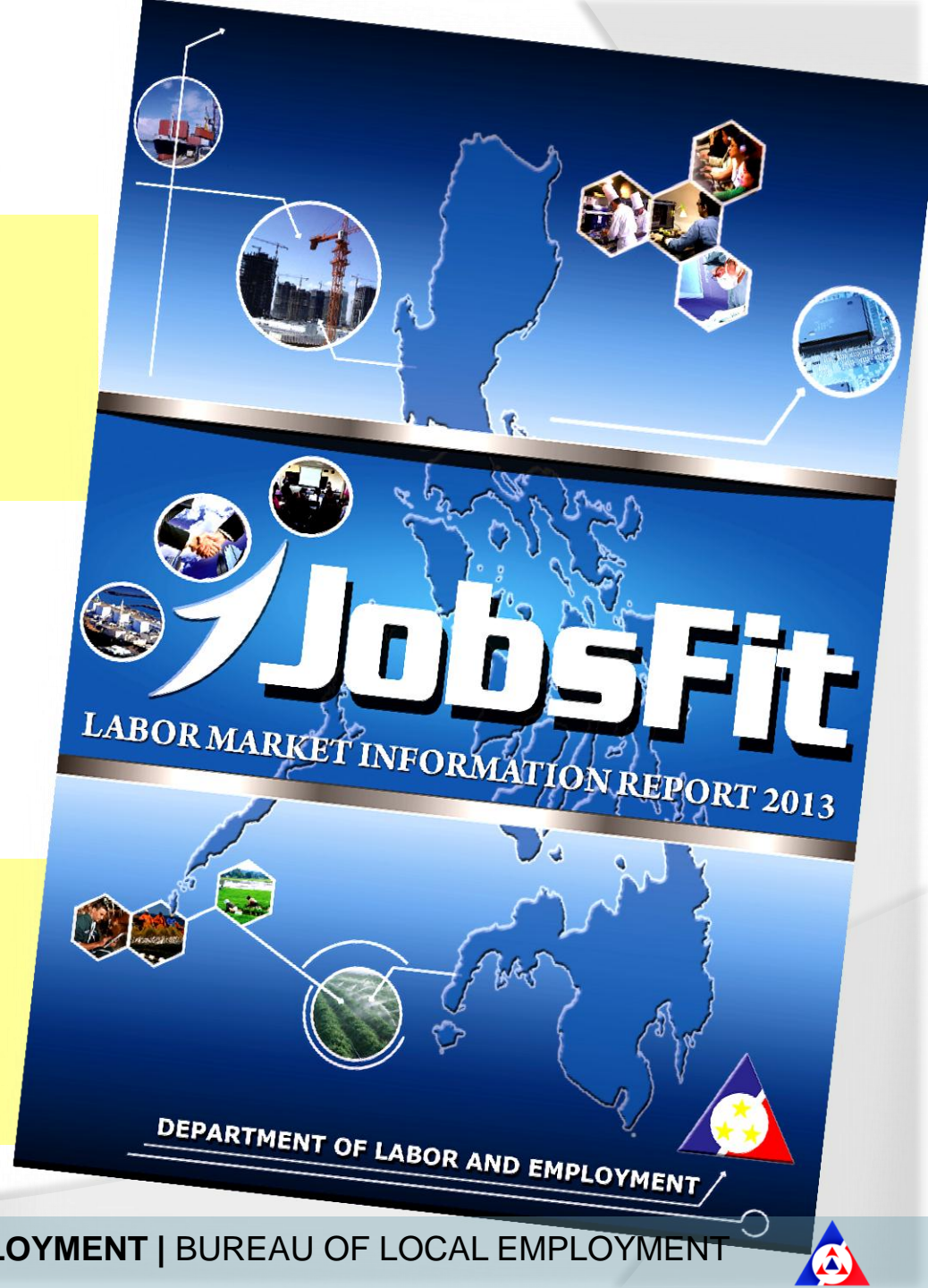
refer to active job vacancies posted/
advertised recurrently by and
across establishments.

275

hard-to-fill occupations

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

102



LMI publications



BUREAU OF LOCAL EMPLOYMENT LABOR MARKET UPDATES

A PROFILE OF JOB VACANCIES AND JOB SEEKERS
AT THE PHILJOBNET
First Quarter 2013

The *Labor Market Updates* is a publication of the Bureau of Local Employment which contains information derived from the PhilJobNet on supply-demand situation and trends in occupations, industries and the labor market in general.

VACANCIES POSTED

For the first quarter of 2013, an average of 103,979 job vacancies for both local and overseas employment were posted in the PhilJobNet. As illustrated in Figure 1, local job openings made up most of the vacancies posted for the period.

FIGURE 1: Percentage Share of Vacancies Posted at the PhilJobNet by Location of Vacancy: 1st Quarter 2013



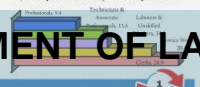
By Major Occupational Group

Job positions for Clerks (24.9%) accounted for most of the vacancies posted in the PhilJobNet for the first three months of 2013. Service Workers and Shop and Market Sales Workers, Laborers and Unskilled Workers, and Technicians and Associate Professionals also accounted for a significant share of the vacancies posted.

TABLE 1: Vacancies Posted at the PhilJobNet by Major Occupational Groups: 1st Quarter 2013

MAJOR OCCUPATIONAL GROUP	NUMBER	% SHARE
TOTAL	103,979	100.0
Officials of Government and Special Interest Organizations, Corporate Executives, Managers, Managing Professionals and Supervisors	3,869	3.7
Professionals	9,730	9.4
Technicians and Associate Professionals	14,037	13.5
Clerks	25,912	24.9
Service Workers and Shop and Market Sales Workers	21,623	20.8
Farmers, Forestry Workers and Fishermen	89	0.1
Trade and Related Operators, Plant and Machine Operators and Assemblers	10,075	9.6
Laborers and Unskilled Workers	14,622	14.1
Special Occupations	1	0.0

FIGURE 2: Percentage Share of Vacancies by Top 5 Major Occupations in the PhilJobNet: 1st Quarter 2013



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

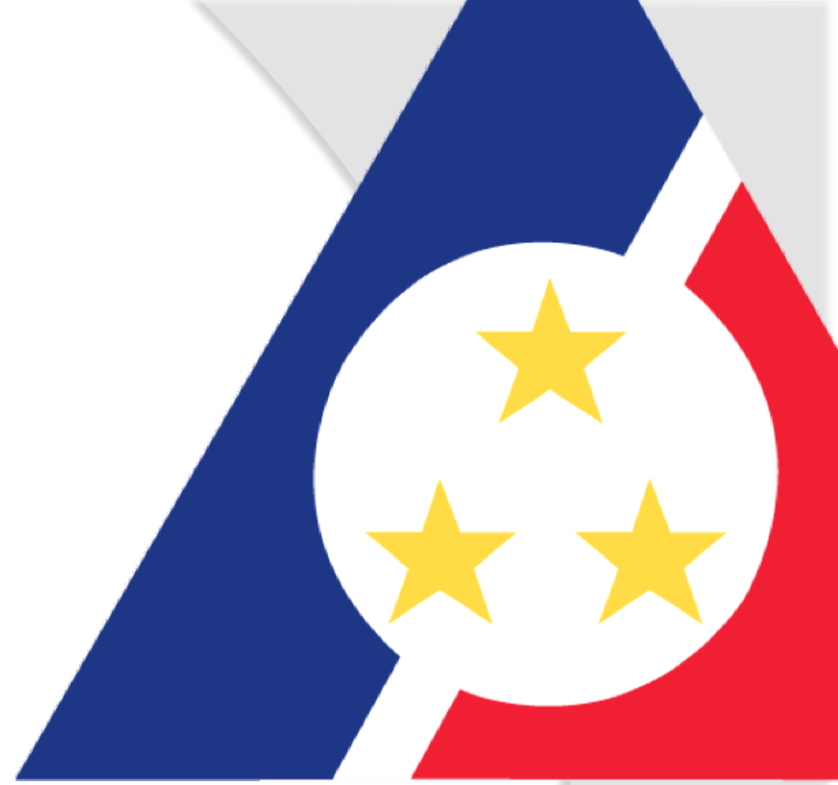
Career guidance for prospective entrants to labor market

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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