

1. Current Economic and Political Situation in the Country

A. Economy and Labor Market Situation

On the Economy

The National Economic Development Authority (NEDA) reported that the country's Gross Domestic Product (GDP) grew 6.3% in the fourth quarter of 2015. This brings the full year GDP growth of the country to 5.8%. Though this number is short of the government's target of 7.0% to 8.0%, Philippines still posed one of the best GDP growths in the Southeast Asian Region.¹

This 2016, the Asian Development Bank (ADB) forecasts an average growth of 6.3%. Factors contributing to this growth are the policy reforms to improve competitiveness and investment, increase in government spending, growth in remittances and service exports from business process outsourcing (BPO) and tourism and the growth of household consumption coupled with low inflation. However, possible setbacks in attaining this GDP growth can be caused by the increase in the prices of agricultural products and hydropower as a result of El Niño.²

On the Labor Market

Based on the results of the Labor Force Survey (LFS) of the Philippine Statistics Authority (PSA), the unemployment rate went down to 5.6% in October from 6.5% in July of 2015. This decline in unemployment can be attributed to the good economic performance of the country. PSA also estimated that the labor force, or the number of individuals who are 15 years old and over, is 66,632,000.³

The sector with the largest number of workers is the services sector, followed by the agriculture sector, and lastly the industry sector. In the services sector, workers in the wholesale and retail trade and repair of motor vehicles and motorcycles comprise the largest group at 35%. On the other hand, majority or 50.7% of workers in the industry sector comes from manufacturing companies.⁴

In terms of occupation, 31.5% of the labor force are laborers and unskilled workers, 15.7% are officials of government and special interest organizations, corporate executives, managers, managing proprietors and supervisors, and 13.5% are farmers, forestry workers and fishermen.⁵

B. Political Situation

The continuity of the reforms set by the Aquino Administration, specifically in the improvement of the business environment and anti-corruption drive, will be at risk if the incoming president would set different priorities than the current administration. Instability is also expected during the transition by the new administration.⁶

The Philippines also continues to strengthen its ties with its neighbor countries as it hosted the Asia-Pacific Economic Cooperation (APEC) Summit last November 2015. Current President Benigno Aquino III also participated in the recent US-ASEAN Summit wherein several international issues were discussed such as security, trade and climate change.⁷

2. HR challenges

The main challenges facing the HR profession in the Philippines at present are:

A. Competency Gaps and Job Mismatch

Competency gaps and job mismatch is still a perennial problem of the business sector and academic institutions. Alongside the exponential changes in globalization and technological innovation is the changing nature of work which poses a bigger challenge to the job applicant. Despite the annual influx of graduates, a huge number remains to be unemployed while some hold jobs that are not relevant to their chosen degrees due to lack of the necessary competencies and opportunities.

B. Brain Drain and Hard to Fill Jobs

Due to technological advancement, job postings, applications and interviews can be done in one click regardless of one's geographical location. Although this facilitates easy access to both the job seeker and the one that hires, this also poses greater challenge in terms of keeping the best talents in the organization. For instance, a lot of nurses, engineers, teachers, social workers, dentists, and scientists among others continue to seek employment overseas. Hence, for the local organizations to remain competitive in the growing market especially with regard to job offers overseas, a scientific study must be done to understand what makes talents stay and remain engaged in the organization. A need to deliberately address the growing brain drain of hard to fill positions in the organization must be collaboratively done by the relevant government agencies, industries and the academic institution.

C. Sustainable Development, Decent Work and Green Jobs

The massive conversion of agricultural lands has paved the way for industrialization thereby creating jobs that are not sustainable as well as a loss on basic ecosystem services. The jobs generated by industrialization and technological innovation failed

to mitigate climate change resulting to an increasing water shortages, flooding, rise in food prices and utilities. Should this scenario be the same in the next few years, problems of social unrest, poverty, inflation, malnutrition and food insecurity would still continue. To strategically contribute to nation building, all sectors of the society must collaborate in crafting a greener economy. Workplace practices that have a lower environmental impact but provides greater productivity must be pursued. Given that the greater percentage of the Philippine workforce in terms of occupation is composed of 32.3% laborers and unskilled workers⁸, decent workplace practices must be continuously put in place especially in the construction, forestry, agriculture, fishing, sanitary and recycling industry.

D. Promotion of Equal Employment Opportunity (EEO)

EEO is about equality in the workplace. It is the right of every person to work and advance on the basis of merit, ability and potential regardless of gender, age, religion, educational background and disabling condition. In the 2015 Global Gender Gap Report of the World Economic Forum, the Philippines were in the 7th place out of 145 countries⁹. This means that access to resources and opportunities (economy, education, health and politics) are at high levels and that gaps are quite small or minimal.

3. PMAP projects and initiatives

Major PMAP activities include the following:

A. PMAP Awards Program

Institutionalized in 1977, the PMAP Awards Program gives recognition to outstanding achievers whose leadership, dynamism and professionalism set apart some corporations and individuals as a breed all their own. Corporate and Individual Awards – the most coveted of which are the “Employer of the Year” and the “People Manager of the Year” – are given annually for remarkable achievements that measure up to the high standards of PMAP. Past winners of these awards include some of the most respected organizations and individuals from Philippine business. The 40th PMAP Awards ceremonies will be held at Philippine International Convention Center, Manila City on October 13, 2016.

B. Annual Conference (AC)

This is an annual convention of the entire membership of the Association that brings together the wealth of the country’s HRM expertise. Also open to non-member HRM practitioners, government sector representatives, and the members of the academe, the AC aims to chart the directions and strategies to be taken in

addressing common and critical issues in HRM. The AC combines noteworthy people management issues, in-depth dialogues, and fellowship activities.

C. General Membership Meetings (GMMs)

Alternately sponsored by different industry groups and PMAP committees, monthly luncheon meetings give members a chance to get first-hand information on current issues from the leaders and policy-makers in industry, government, and society, in general. At the same time, the GMMs provide a venue where members can enhance their professional network and build friendships with their colleagues from the HRM profession. The PMAP GMMs are held every last Wednesday of the month.

D. Symposia and Executive Fora

Combining the benefits of individualized orientation in a group setting, these professional development activities offer privileged information related to HRM functions and concerns. Aside from symposia on the latest HRM and IR issues, lecture series and other learning events give members a first-hand account of valuable experiences of leaders from various organizations (local and international) on specific HR concerns, latest HR trends and practices.

E. Professional Fellowship

Fellowship within the context of the organization has a two-pronged objective:

- 1) To enhance the individual practitioner's professional growth; and
- 2) To build the PMAP family spirit and commitment.

Professionally organized activities during monthly meetings, the annual conference, and special fellowship events are designed to develop an atmosphere of social interaction, acquaintance and a sense of belonging among members.

F. Corporate Social Responsibility

PMAP is continuously doing its share in promoting and advancing the concept of Corporate Social Responsibility (CSR) among its members through workshops and seminars on developing and implementing CSR programs. The Association also embarks on its own CSR and community relations programs focusing on immediate needs such as livelihood development, environmental protection, employment generation, educational scholarship, and social service linkages.

G. Consultancy Service

Members benefit from PMAP's effective response to specific people management issues and employee relations problems. A pool of subject matter experts from all facets of HR composed of seasoned IR practitioners and lawyers, Compensation and Benefits guru, learning and development experts among others are available for free consultation either through telephone, written or face-to-face queries. One of the biggest milestone for PMAP was sharing its expertise in the Australian DFAT funded project for the Department of Education managed by BEST-Cardno.

H. Surveys

Benchmark surveys and pulse surveys are also conducted on a monthly basis. These are used for a better analysis of the industry and cross-industry trends, sentiments, and practices by the PMAP general membership.

I. Workshops and Trainings

The Asian Institute of Human Resource Management (AIHRM) serves as the training and development arm of the Association. The AIHRM plans, conducts and evaluates the training and professional development programs of PMAP, in response to the needs of HRM executives and managers, officers and staff of member-companies, and independent HRM practitioners. The Diploma in Human Resource Management is the flagship program of PMAP where subject matter experts are not only trained academically but are HR practitioners themselves. Its cutting edge advantage is the mix of theory and practice.

J. Society of Fellows

The Philippine Society of Fellows (PSOF) in People Management is an affiliated body in PMAP that offers opportunities for further professional growth of individual HRM practitioners. Through its Accreditation Council, the PSOF bestows the titles of Diplomate in People Management (DPM), Fellow in People Management (FPM), and Associate Fellow in People Management (AFPM) to individual HRM practitioners in recognition of their level of professional competence.

K. PMAP Foundation

The PMAP Human Resources Management FOundation, Inc. (PMAP Foundation) was created to promote the transcendent purpose of the People Management Association of the Philippines by way of (a) Good corporate citizenship in the

member companies; (b) Mutual assistance; (c) People Development projects; and (d) Sustainability of the Foundation through fund raising strategies.

4. Scheduled Summit

- Flexible Work, Time and Technology 2016: Philippine Summit
Scheduled on April 5, 2016, this event focuses on Alternative Work Arrangement practiced by various industries and organizations to address the increasing traffic congestion in the Metropolis.

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Sources:

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³<http://www.adb.org/news/philippines-grow-60-2015-63-2016-spending-pickup-ADB>

³<https://psa.gov.ph/statistics/survey/labor-force>

⁴<https://psa.gov.ph/sites/default/files/attachments/hsd/pressrelease/TABLE%20%20Employed%20Persons%20by%20Sector%2C%20Subsector%2C%20and%20Hours%20Worked%2C%20Philippines%20October%202015.pdf>

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⁶<http://country.eiu.com/article.aspx?articleid=1643114748&Country=Philippines&topic=Politics>

⁷<http://country.eiu.com/article.aspx?articleid=1853964369&Country=Philippines&topic=Politics>

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⁹ <http://reports.weforum.org/global-gender-gap-report-2015/>_accessed March 5, 2016.