



**People Management Association of the Philippines**  
*The Premier Organization of Human Resource Practitioners and People Managers*

## **PMAP COUNTRY REPORT**

### **1. Current Economic and Political Situation in the Country**

#### **A. Economy and Labor Market Situation**

##### **On the Economy**

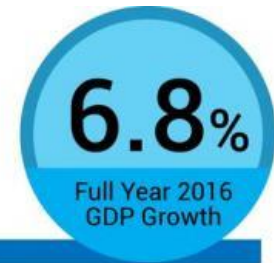
The National Economic Development Authority (NEDA) reported that the Philippine economy sustained its growth momentum with real gross domestic product (GDP) of 6.8 percent full year GDP growth in 2016. According to NEDA Director General Mr. Ernesto M. Pernia<sup>1</sup>, the Philippines could be the second fastest growing economy next to China. Pernia said that major drivers of growth were also from domestic demand and robust expansion in investments, which grew by 15 percent. He added growth in domestic demand urged the 18.6 percent growth of imports, while public investments in infrastructure remained strong with public construction expanding by 23 percent, faster than the 20.1 percent in Q3.

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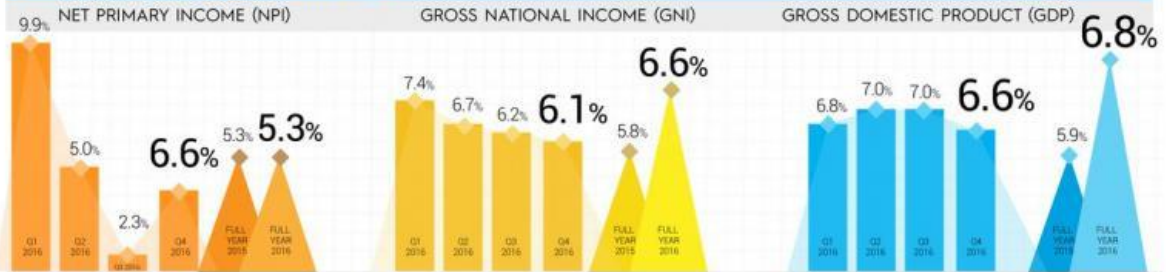
<sup>1</sup> <http://www.ibtimes.ph/gdp-data-q4-2016-philippines-6021>

# PH GDP GROWS 6.6 PERCENT IN Q4, 6.8 PERCENT IN FULL-YEAR 2016

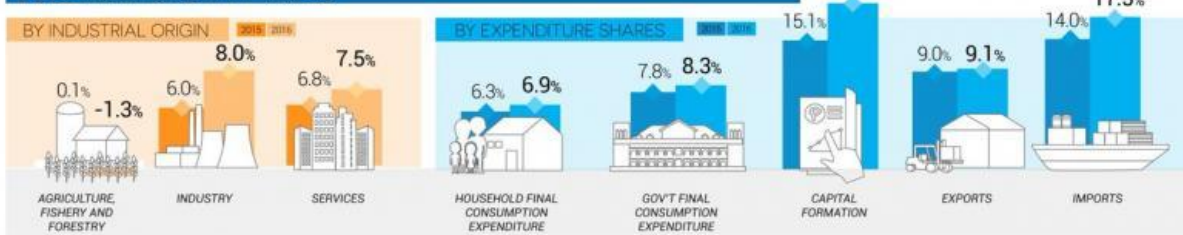
The Philippine economy grew by 6.6 percent in the fourth quarter of the year. Given the Q4 growth outturn, the Philippine economy expanded to 6.8 percent, slightly below market expectations but remains to be one of the best economic performers of the region.



## 2016 ECONOMIC PERFORMANCE



## FULL YEAR GROWTH RATES



Source: Philippine Statistics Authority

Infographics source : <https://twitter.com/NEDAhq/media>

In terms of agriculture, Pernia said there is a need to have greater emphasis in Mindanao. He also added that the country is “highly likely” to achieve the 6.5-7.5 percent target growth in 2017. Pernia emphasized tha the government will remain steadfast in its work and make sure economic growth is built on people-centered and people-powered policies, stable macroeconomic fundamentals and strong partnership with other countries.



## On the Labor Market

According to the Labor Force Survey (LFS) of the Philippine Statistics Authority (PSA)<sup>2</sup>, “the employment rate in January 2017 was estimated at 93.4 percent. Four regions, namely, Ilocos Region (91.3%), National Capital Region (NCR) (91.5%), Caraga (91.5%), and CALABARZON (91.8%) had the lowest employment rates (Table 4). The labor force participation rate (LFPR) in January 2017 was estimated at 60.7 percent given the labor force population of 69.4 million. The labor force population consists of the employed and the unemployed 15 years old and over.

Workers were grouped into three broad sectors, namely, agriculture, industry and services sector. Workers in the services sector comprised the largest proportion of the population who are employed. These workers made up 57.1 percent of the total employed in January 2017 (Table 1). Among them, those engaged in wholesale and retail trade or in the repair of motor vehicles and motorcycles accounted for the largest percentage (35.2%) of workers in the services sector (Table 2).

Workers in the agriculture sector comprised the second largest group making up 25.5 percent of the total employed in January 2017, while workers in the industry sector made up the smallest group registering 17.4 percent of the total employed. The January 2017 LFS results also showed that in the industry sector, workers in the manufacturing subsector made up the largest group, accounting for 48.0 percent of workers in this sector, and those in construction, the second largest group, making up 47.0 percent (Tables 1 and 2).

Among the occupation groups, workers in the elementary occupations remained the largest group making up 25.4 percent of the total employed in January 2017 (Table 1). Managers comprised the second largest occupation group (16.9%), followed by service and sales workers (15.4%), and skilled agricultural, forestry, and fishery workers (13.4%).”

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<sup>2</sup> <https://psa.gov.ph/content/employment-rate-january-2017-estimated-934-percent>

## **B. Political Situation**

<sup>3</sup>An impeachment complaint against President Rodrigo Duterte was filed on 16 March 2017, just eight months after he assumed presidency. Magdalo party-list Representative Gary Alejano filed the 16-page complaint before the House of Representatives' Office of the Secretary-General. The complainant said the President should be impeached on the following grounds: (1) Culpable violation of the Constitution; (2) Engaging in bribery; (3) Betrayal of public trust; (4) Graft and corruption; and (5) Other high crimes.

<sup>4</sup>However, the country's legal experts said that the impeachment case against President Rodrigo Duterte will not prosper. House Deputy Minority Leader Harry Roque, an international and constitutional law expert, explained that Duterte could not be held liable, or impeached, for acts which had happened before he became president.

<sup>5</sup>During the same period, a call for impeachment also surfaced against Vice President Leni Robredo. House Speaker Pantaleon Alvarez confirmed that they are already studying the possibility of filing a complaint against Robredo over her video message to the United Nations Commission on Narcotic Drugs criticizing the government's war on drugs. Alvarez believes that Robredo put the country in bad light and therefore betrayed public trust — an impeachable offense under the 1987 Constitution. Robredo, however, denied betraying public trust saying her message to the U.N. was "factual."

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<sup>3</sup> <http://cnnphilippines.com/news/2017/03/16/impeachment-complaint-vs-Duterte.html>

<sup>4</sup> <http://cnnphilippines.com/news/2017/03/17/Duterte-impeachment-bound-to-fail.html>

<sup>5</sup> <http://cnnphilippines.com/news/2017/03/18/impeach-vice-president-leni-robredo-dilig.html>

## **2. HR challenges**

PMPA has been very active in the discussions of the different labor issues that the country is facing today.

### **A. Anti-Age Discrimination Law**

The Department of Labor and Employment (DOLE) has signed and issued the implementing rules of Republic Act No. 10911 or the anti-age discrimination law last February 2, stressing that age does not matter in employment. Labor Secretary Silvestre Bello III said that the law will help promote equal opportunities in employment for everyone. The law prohibits an employer to print or publish in any form of media any notice related to employment suggesting age preferences, limitations, specifications and discrimination.

### **B. Workers contractual arrangements and end-of-contract schemes**

On March 16, <sup>6</sup>DOLE issued an order imposing a total ban on labor-only contracting, strictly regulating lawful contractual arrangements, ending 'endo' and deputizing workers in nationwide inspection of establishments for compliance with labor standards and existing labor laws. Labor Secretary Silvestre Bello signed Department Order 174, or the Rules Implementing Articles 106-109 of the Labor Code, after months of consultations with both labor and management, pursuant to the promise of President Rodrigo R. Duterte to end illegal contracting and 'endo.'

The D.O. No. 174: 1) Reaffirms the Constitutional and statutory right to security of tenure of workers; 2) Applies to all parties in an arrangement where employer-employee relationship exists; 3) Absolutely prohibits labor-only contracting, and specifies other illicit forms of employment arrangements; 4) Allows only permissible contracting and subcontracting as defined; 5) Re-enforces the rights of workers to labor standards, self-organization, collective bargaining and security of tenure; and 6) Requires mandatory registration of contractors and subcontractors and provides clear procedures for cancellation of registration.

Almost 80% of PMPA recommendations about this issue, based on the nationwide consultation organized by the association among its members in 2016, was included in the signed D.O.

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<sup>6</sup> <https://www.dole.gov.ph/news/view/3550>

### **C. Security of Tenure**

Department Order (DO) 174i s seen been labor groups as a “death order” to workers’ right to security of tenure, right to regular-direct hiring of jobs, and right to organize.<sup>7</sup> With this, the Trade Union Congress of the Philippines (TUCP) urged President Rodrigo Duterte to certify as urgent House Bill No. 444, or the Security of Tenure Act filed by the TUCP party-list, following the issuance of the new order regulating contractualization.

### **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 41<sup>st</sup> PMAP Awards ceremonies will be held at Marriott Grand Ballroom Manila on October 11, 2017.

#### **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.

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<sup>7</sup> <http://www.sunstar.com.ph/bacolod/business/2017/03/18/tucp-official-urges-duterte-hasten-bill-security-tenure-531703>

### **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, is 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. Currently, the Research Center of PMAP is undertaking its 2016 Salary and Benefits Survey across different industries in fourteen job levels. This study is hoped to benefit its growing members.

### **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.

### L. PMAP Salary and Benefits Survey



A study participated by various companies representing the Small, Medium and Large industries.

### M. Colbar Index 2016



This is a compendium of 297 CBAs involving 245 companies and 37,770 workers. Results highlight significant information pertaining to salary increases, overtime and night differential, bonuses, leaves, insurance, retirement, financial assistance and benefits.

## **N. English Proficiency Survey**

The PMAP survey's key findings are: (1) Philippine college graduates' English proficiency is at a lower standard than Thailand High School graduates; (2) Industry-Academe Skills gap is extremely large which threatens major talent shortage; and (3) The gap between Public and Private Higher Education graduates is extremely large.

PMAP has come out with recommendations that the association will pursue upon approval of the Board of Trustees: (1) Industry associations such as IBPAP ,PMAP, CCAP or well-known employers to prefer or require a CEFR B2 English level and (2) Law to be passed that requires certain degree programs to reach the CEFR B2 English standard.

## **O. Research Engagement with ILO**

PMAP was the agency granted by the International Labour Organization in providing a Technical Assistance for the Conduct of a Human Resource Audit/Review and Development and Capacity Building of the Department of Labor and Employment (DOLE) on HRD to Support Labor Law Compliance System (LLCS) Implementation.

## **Scheduled Conferences**

### **a. Asia Pacific HR Best Practices Forum**

Venue: Sofitel Philippine Plaza Manila

Date: April 6, 2017

### **b. 54<sup>th</sup> PMAP Annual Conference**

Theme: Disruptive HR in Digital, Borderless World

Venue: Marriott Grand Ballroom Manila, Pasay City

Date: October 11-12, 2017

For more information, please contact the PMAP Secretariat at tel. no. 726-1532, email [pmap@pmap.org.ph](mailto:pmap@pmap.org.ph), visit [www.pmap.org.ph](http://www.pmap.org.ph) or "Like" [www.facebook.com/PMAP1956](http://www.facebook.com/PMAP1956).

Submitted by:

**Ramon B. Segismundo**

President

People Management Association of the Philippines