



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

PMAP Board Meeting
Dusit Thani Hotel, Makati City, Philippines
August 26, 2015

1. Current economic and political situation in the country

A. Economy and labour market situation

On the Economy

In the report released by the National Economic and Development Authority (NEDA), the country's Gross Domestic Product (GDP) grew 5.6% in the second quarter of 2015, slowing from 6.7% in the same period of the previous year. However, NEDA emphasized that despite this lower-than-expected growth the Philippine economy will grow at a faster rate in the remaining quarters due to the "vibrant" economic activity of the private sector.

**GDP is the amount of final goods and services produced in the country, and as such measures economic performance.*

Economy-at-a-Glance

Source: National Economic and Development Authority (NEDA)

Indicator	Latest	Previous	Year Ago
Gross National Income	5.0% (Q2 2015)	4.2% (Q1 2015)	6.9% (Q2 2014)
Gross Domestic Product	5.6% (Q2 2015)	5.0% (Q1 2015)	6.7% (Q2 2014)
Exports	US\$5.281 billion (Jun 2015)	US\$4.899 billion (May 2015)	US\$5.461 billion (Jun 2014)
Imports	US\$ 5.919 billion (Jun 2015)	US\$ 4.392 billion (May 2015)	US\$ 4.829 billion (June 2014)
Headline Inflation Rate	1.2 (Jun 2015)	1.6 (May 2015)	4.4 (Jun 2014)
Core Inflation Rate	2.0 (Jun 2015)	2.2 (May 2015)	2.8 (Jun 2014)
Underemployment Rate	17.8% (April 2015)	17.5% (Jan 2015)	18.2% (April 2014)
Unemployment Rate	6.4% (April 2015)	6.6% (Jan 2015)	7.0% (April 2014)
Indicator	Latest	Previous	Year Ago

On the Labour Market

The National Statistics Office (NSO) reported that the country's unemployment rate significantly decreased to 6.4% in July 2015 from 7.0% of the same month in 2014. This translates to 495,000 more employed Filipinos and reduced the total number of unemployed to 2.7 million. Moreover, majority of the labor force who are employed in more remunerative and stable work increased by 1.9%, reaching 22.6 million in Q2 2015. They now comprise 57.8% of total workers, slightly higher than their 57.5% share from a year ago.



B. Political Situation

Political analysts see support is beginning to drain away from Philippine President Benigno S. Aquino, as attention shifts to preparations for the May 2016 General Election. Underscoring this trend, Vice President Jejomar Binay resigned from Aquino's cabinet on June 22nd. Nevertheless, the President commits to focus on infrastructure development and employment generation during his final year in office gearing the economy to expand by 6.3% in 2015, led by strong growth in private consumption [1].

Meanwhile, the Aquino administration priority initiative Bangsamoro Basic Law (BBL), the draft law intended to establish the Bangsamoro political entity in the Philippines and provide for its basic structure of government, which will replace the existing Autonomous Region in Muslim Mindanao, remains unclear if it will be passed into law before the end of his term next year due to oppositions from various sectors [2].

Source: [1] <http://country.eiu.com/philippines>;

[2] <http://www.gmanetwork.com/news/story/528522/news/nation/milf-hopes-pnoy-calls-for-passage-of-bangsamoro-law-in-final-sona>

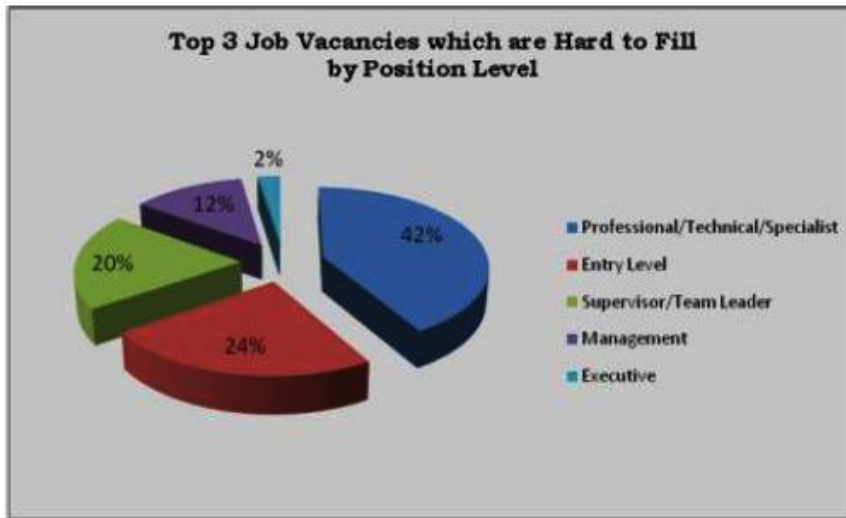
2. HR challenges

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

A. Solving the Challenges in Talent Development

The Philippines produced almost half a million college graduates per year. Job mismatch has been a perennial lament of both business and academe. Hiring managers grapple with unfilled vacancies in spite of the millions of unemployed in the country today. In a recent survey on PMAP member companies, it was shown that 40% of applicants fail in their job interviews. Most of those who fail are fresh graduates.

In 2014, PMAP conducted a Manpower Planning and Industry-Academe Skills Mismatch Survey to identify the reasons behind this. Below are some of the highlights of the survey.



Reason Why Hard to Fill	Percent
1. Applicants lack of competency/skill	34.13
2. Applicants expectation of high salary	19.68
3. No applicant/limited number of applicants	18.2
4. Applicant lack year of experience	0.8
5. Applicants lack of rare skill	6.94
6. Applicants prefer overseas employment	5.57
7. Location or work schedule problem	3.87
8. Applicants lack of professional license/TESDA Skills Certification	2.39
9. Knowledge of Industry	0.11
10. Very Technical	0.11
Total	100.0

B. Effective Hiring and Retention Strategies

In the 2014 Labor Turnover Statistics in Large Enterprises in the National capital Region released by the Department of Labor and Employment (DOLE), overall accession rate (9.31%) exceeded separation rate (8.29%), a percentage point difference or a labor turnover rate of 1.02%.

This suggests an addition of 10 workers per 1,000 employed were added to the enterprise workforce due to expansion or replacement while 83 workers per 1,000 employed were laid off or quit their jobs.

Below are some of the highlights of the 2014 Manpower Planning and Industry-Academe Skills Mismatch Survey showing the percentage of turnover per position/ level among members of PMAP along with the top reasons why employees leave the company.



Reason	Percent
1. Move to another local company	66.17
2. Work overseas	24.74
3. Retirement	3.75
4. Migration	3.41
5. Others	0.45
6. Move to another local company and Work overseas	0.34
7. Move to another local company and Work overseas	0.34
8. Move to another local company, Work overseas and 9. Migration	0.34
10. Migration and Retirement	0.23
11. Move to another local company and Migration	0.23
Total	100.00

C. The concept of Green HR

According to the country study **Green Jobs and Green Skills in the Brown Economy** released by ILO: “The Philippines is considered relatively advanced in Asia in environmental education, as reflected in the steady enrolment of Southeast Asian students in environmental engineering and

science courses offered by the University of the Philippines College of Engineering. Despite the absence of a nationally-coordinated programme on environmental education, a number of higher education institutions in different regions have also been offering environment and environment related courses.

However, institutions providing environmental education and skills development services need to be more proactive in touching base with key industries or sectors going green or becoming greener. One good starting point is the identification of industries or sectors identified by various environmental laws for greening.

The Philippines, a low-carbon-emitting archipelago, is on the short list of countries that are most vulnerable to climate change risks, particularly to CC-induced disasters such as tidal inundations, droughts (El Niño), prolonged rainy seasons (La Niña), and fierce storms (typhoons). This vulnerability is compounded by the fact that the country has a degraded environment, which has weakened its capacity to handle risks and disasters.

How prepared is the labour market for this green shift? From the case studies and the labour market data compiled by this study, a number of conclusions may be drawn: (1) A green shift is job creating (in all the sectors cited in the study) and will help alleviate unemployment; (2) The leading labour market problem in the country is the lack of effective domestic labour demand, especially for those possessing elementary and secondary education only; and (3) Labour displacement due to a green shift is minimal or likely to be so.”

Source: http://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-manila/documents/publication/wcms_145070.pdf

D. Promotion of Equal Employment Opportunity (EEO)

The rules on discrimination and equal opportunity in employment differ widely from country to country. In the recent study **“Asia: Discrimination and Equal Opportunity Laws in the Region”** conducted by leading global

law firm Herbert Smith Freehills, the information below are reported about the Philippines:

- a. Legislation: Labor Code, Magna Carta of Women, Magna Carta for Disabled Persons, Solo Parents Welfare Act.
- b. Principles:
 1. Discrimination against women solely on the basis of her gender is prohibited.
 2. Discrimination only when one is denied privileges that are granted to others under similar conditions and circumstances.
 3. Hiring and disciplining of employees fall under the ambit of the "management prerogative", which entitles employers to regulate aspects of employment at their discretion.
 4. May not be considered discriminatory for an employer to select candidates based on bona fide occupational qualifications required for the job.
- c. "Hot Button Issues": Gender, marital and family status, disability
- d. Recommendations:
 1. Avoid any gender-related qualifications or criteria
 2. Ensure that candidates are selected based on bona fide occupational qualifications

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," "People Program 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 39th PMAP Awards ceremonies will be held at Marriott Grand Ballroom Manila, Pasay City on October 13, 2015.

Winners of the PMAP Awards for the past 3 years including the public sector

Employer of the Year Awardees

2012	Manila Electric Company
2013	Analog Devices Incorporated
2014	Apo Cement Corporation

Employer of the Year – Small to Medium Enterprise

2014	Metalcast Corporation
------	-----------------------

People Manager of the Year Awardees

2012 (no awardee)
2013 Fidelina A. Corcuera
2014 Ramon B. Segismundo

People Manager of the Year in Public Sector Awardees

2014 Hon. Francisco T. Duque III (*National Official Level*)
2014 Hon. Michael L. Rama (*Elected Official Level*)
2014 Elizabeth L. Alonso (*Career Official Level*)

People Program of the Year Awardees

2012 Bank of the Philippine Islands "*Leadership Excellence Acceleration Program (LEAP)*"
2013 no awardee (I think we don't have to mention this)
2014 Lyceum of the Philippines University "*Tanging Yaman, Alagaan Natin (TAYAN) Program*"

People Program of the Year in Public Sector Awardee

2014 Provincial Government of Bulacan Public Employment Service Office "*Career Guidance Seminar*"

Note: The category for public sector was launched in 2014

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. The AC aims to chart the directions and strategies to be taken in addressing common and critical issues in HRM. The AC offers comprehensive and in-depth technical sessions combined with socials, sports and fellowship activities. Also open to non-member HRM practitioners, government sector representatives, and the members of the academe.

The 52nd Annual Conference will be held at the Marriott Grand Ballroom, Pasay City (Manila). This year's conference theme "**HR PILIPINAS: People Agenda and Beyond**" places Human Resources at the core, not just as a function but as a force who make up the primordial component of organizations.

Year	Theme	Venue	No. of Delegates
2014	Running with Tigers (Common Identity, Shared Destiny)	Waterfront Hotel and Casino (Cebu City)	1622
2013	Global Opportunities. Leaping Forward. Defying Limits	Philippine International Convention Center (Manila)	1488
2012	Revolutionizing People Management (Great Minds, Bold Changes, Unparalleled Results)	Waterfront Hotel and Casino (Cebu City)	1318

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. At the same time, the GMMs provide a venue where members can enhance their professional network and personal friendships with their colleagues from the HRM profession. The PMAP GMMs are held every last Wednesday of the month.

2015 PMAP GMM as of August 31

Month	Topic	Venue	No. of Attendees
Jan	Defy Limits... Perform Beyond the Ordinary	Sofitel Philippine Plaza	268
Feb	The Winning Formula on Employee Engagement	Raffles Hotel, Makati City	271
Mar	Will, Wit and Wisdom of Women	Marriott Hotel, Pasay City	278
Apr	Workplace Spirituality – Finding Purpose and Meaning in the Workplace	Dusit Thani Manila	275
May	K to 12: Academe and Industry, Are we ready?	Marriott Hotel, Pasay City	187
Jun	Winning the Cross-Gen War	Sofitel Philippine Plaza	213
July	The Business Case for Equal Employment Opportunity: Building A Fair & Ethical Filipino Workplace	Marriott Hotel, Pasay City	205
Aug	Performance Based Rewards Program: How Effective are Performance Bonuses?	Dusit Thani Manila	252

D. Symposia and Executive Forum

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 fora give members a first-hand account of valuable experiences of companies on specific HR concerns, and the latest HR trends and practices as rendered by local and international experts.

Project SHaRe: A consultative assembly designed to assist MSMEs in finding practical solutions to their HR-related problems

	Date	Venue	No. of Participants
Wave 1	23-Feb-15	PMAP Center	23
Wave 2	26-Mar-15	PMAP Center	16
Wave 3	24-Apr-15	Crown Legacy Hotel, Baguio City	88
Wave 4	11-Jun-15	Heroes Hall, Mini Convention Center, City of San Fernando, Pampanga	101

Regional Summits

	Theme	Date and Venue	No. of Participants
9 th Luzon Summit	Deepening of HR Management towards Global Competitiveness	May 28-30 Malolos Convention Center, Bulacan	402
15 th Cebu Regional Conference	Inclusion & Transcendence	August 13-14 Radisson Blu Hotel, Cebu City	300
17 th Mindanao Summit	Building HR in the Global Environment	August 13-14 Marco Polo Hotel	410

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. Appropriate and wholesome activities during monthly meetings, annual conference, special fellowship and sports activities are designed and conducted to develop an atmosphere of social interaction, camaraderie and acquaintance among members.

- a. PMAP Member's Day (February 25, 2015)
- b. PMAP National Wellness Day (June 19, 2015)
- c. Mid-year Membership Integration Party (July 31, 2015)
- d. PMAP iHeRt 3k, 5k, 10k Fun Run (September 19, 2015)
- e. Christmas Party (Every first week of December)

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 need areas such as livelihood development, environmental protection, employment generation, educational scholarship, and social service linkages. Below are some of the most recent CSR activities of PMAP:

- a. PMAP organized and hosted its **1st CSR Summit** last October 24, 2014 at the Henry Sy Sr. Auditorium of St. Luke's Global in Taguig City with the theme "Inspiring People's Lives Towards Corporate Sustainability." There were 300

delegates. The 2nd **CSR Summit** will be held on November 27 at AIM, Makati City.

- b. **Feeding Program.** It is an organized activity that benefitted almost a hundred poor children in partnership with **Gawad Kalinga** through its program “**Kusina sa Kalinga.**”
- c. **PMAP CSR Awards.** This is to give recognition to outstanding CSR initiatives of various corporations in the Philippines.

G. Consultancy Service

Members benefit from PMAP’s effective response to needs, concerns and issues on people management and employee relations requiring the expertise of senior HRM practitioners. The main objective of the consultant’s pool is to assist members in finding answers or lead them to other sources of information. An advisory bureau or pool of consultants, composed of seasoned industrial relations (IR) practitioners and lawyers, are available for free consultation either through telephone, written or face-to-face queries.

H. Surveys

Benchmark surveys, mini-surveys or spot surveys are also conducted during monthly meetings or through circulars to respond to the needs of PMAP members and the Board of Trustees and the twenty-four (24) Chapters nationwide. These are used for a better analysis of industry and cross-industry trends and practices by the PMAP general membership. Below are the three major surveys of PMAP every year:

- a. On Prospects for the Year and Employee Health and Wellness
- b. On HR Organization
- c. On Compensation and Benefits

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. Throughout the year, PMAP presents a varied offerings of development programs focusing on specific areas of

HRM practice. Non-curricular programs are the seminars and workshops being conducted on a monthly basis by expert HRM practitioners. Whether for professional or personal development, members enjoy substantial discounts on all AIHR programs and other development activities. Curricular programs, on the other hand, are the certificate courses conducted in PMAP-partners universities and colleges, and which lead to the completion of a Diploma in HRM (DHRM) degree.

Diploma in Human Resource Management

University of Asia and the Pacific

- Certificate in Human Resource Planning and Acquisition
- Certificate in Compensation Management
- Certificate in Organization Development
- Certificate in Human Resource Development

San Beda College Alabang

- Certificate in Human Resource Development
- Certificate in Human Resource Planning and Acquisition
- Certificate in Labor Relations

Miriam College

- Certificate in Organization Development
- Certificate in Labor Relations
- Certificate in Human Resource Development
- Certificate in Human Resource Planning and Acquisition

J. Philippine 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 qualified individual HRM practitioners in recognition of their level of professional competence.

As of August 2015, there are **23 DPMs**, **120 FPMs** and **28 AFPMs** accredited in the country.

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: Good corporate citizenship in the member companies, mutual assistance, people development projects and sustainability of the Foundation through fund raising strategies.

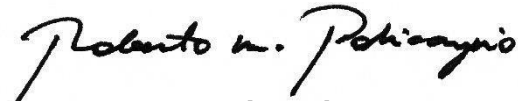
4. Scheduled Conferences

- **52nd PMAP Annual Conference**

Theme: HR Pilipinas: People Agenda and Beyond
Venue: Marriott Grand Ballroom Manila, Pasay City
Date: October 12-14, 2015

HR Pilipinas: People Agenda and Beyond puts Human Resources at the core, not just as a function but as a force who make up the primordial component of organizations.

For more information, please contact the PMAP Secretariat at tel. no. 726-1532, email pmap@pmap.org.ph, visit www.pmap.org.ph or “Like” www.facebook.com/PMAP1956.



Roberto M. Policarpio, AFPM
President
People Management Association of the Philippines