Bridging the Industry-Academe Skills Gap

By: Rene M. Gener, DPM

Labor Market Situation

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- Rapidly developing and highly disruptive technologies, in a way contributed to the problem of academe-industry skills mismatch
- Youth are seeking employment while employers are looking for their employability skills

Labor Market Situation

- **645,973** graduates in **2016**
- Top 3 disciplines with most number of graduates:
  - Business Administration = 185,858
  - Education and Teacher Training = 118,567
  - Information Technology = 77,250

Source: Commission on Higher Education

Labor Market Situation

Top Industries with high employment gains:

Industry	%
Mining and quarrying	9.89%
Accommodation and food service activities	5.32%
Wholesale and retail	3.95%
Manufacturing	3.90%
Real estate activities	3.25%

Source: Philippine Statistics Authority

Labor Market Situation

Philippines	July 2017	July 2016
Population 15 years and over (in 000)	70, 164	68, 443
Employed Persons (in 000)	40,170	40,954
Employment Rate (%)	94.40	94.60
Unemployed Persons (in 000)	2,373	2,332
Unemployment Rate (%)	5.60	5.40
Underemployed Persons (in 000)	6,541	7,134
Underemployment Rate (%)	16.30	17.40

Source: Philippine Statistics Authority

Labor Market Situation

- In 2016, out of the estimated **2,332,000 unemployed persons**…
  - ❑ **48.4%** are 15-24 years old
  - ❑ **21.4%** are College Graduates

Source: Philippine Statistics Authority

21st Century Skills

21st Century Skills

- Deficiencies of Fresh Graduates in Competencies:
  1. Critical Thinking and Problem Solving
  2. Communication and Collaboration
  3. ICT Literacy
  4. Initiative and Self Direction
  5. Productivity and Accountability

Source: People Management Association of the Philippines

21st Century Skills

Top 10 Skills in 2020:

1. Complex Problem Solving
2. Critical Thinking
3. Creativity
4. People Management
5. Coordinating with Others
6. Emotional Intelligence
7. Judgement and Decision Making
8. Service Orientation
9. Negotiation
10. Cognitive Flexibility

Source: World Economic Forum

21st Century Skills

- Observations from top recruiters on young employees:
  - Unable to exhibit loyalty
  - Inadequacy to perform the requirements of the job
  - Most applicants lack the essential skills of communication
  - Problem solving, critical thinking and evaluating skills have also become scarce among the graduates

Effects of Skills Gap to the Industries

- High turnover rate
- Increase in training and development spending
- Retraining takes away time and resources which also affects productivity targets

Looking Forward…

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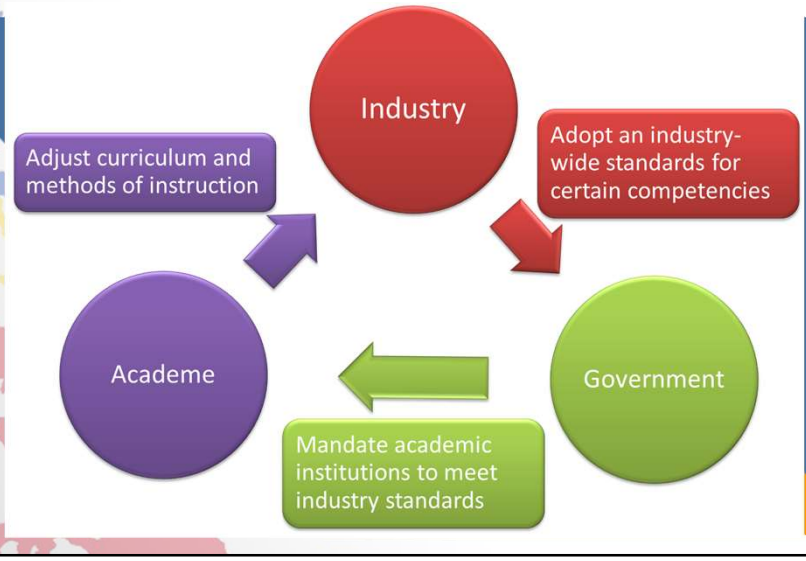
• A tripartite partnership among the government, academe and industry sectors must be institutionalized
• Significant programming and technological changes to teach new skill sets required by employers need to be integrated in the academic curricula
• Greater understanding and integration of science, technology and math in how these concepts are applied to come up with tangible outputs are important

Looking Forward…

Do we deliver the knowledge and skills required to provide economic health and viability to individuals, employers and our nation?

Looking Forward…



Looking Forward…
Let's make the Filipino globally competitive!