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Freeport Area of Bataan (FAB) labor market: A guide for tertiary education in industrial zones

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ABSTRACT

Background: This study aims to know the employee preferences of the locators in the Freeport Area of Bataan (FAB). Investigation of such yields valuable information for the program planning of the Polytechnic University of the Philippines Bataan Branch for it is the only university located in Mariveles, Bataan where the Freeport operates. A one-shot survey among 24 companies was conducted to solicit information on their labor market projection for the next five years. Results show that young workers who have good adaptability, communication, and problem-solving skills are favored. Though college degree is considered an important factor in hiring people, a certification and diploma on the skills requirement of a company is also valued

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INTRODUCTION

The Freeport Area of Bataan (FAB), then Bataan Economic Zone, is the home for over 40 locators in the country which are involved in Shipbuilding and Repair, Manufacturing, Logistics, Tourism, Energy, and Global Electronics/Semiconductors. Almost half the locators are involved in the Garment and Textile Industry, 16 per cent are producing bags and rubber products, 2 per cent manufacture electronic parts, while the remaining 36 per cent process other varieties of finished goods. (www.freeportareaofbataan.gov.ph)

Philippine Economic Zone Authority data shows that employment in economic zones has a annual increase of 18% between the 1994-2002. (Export Processing Zones, 2005) Between January to June 2013, the three largest FAB locators are employing between 1,500-2,500 workers.(www.freeportareaofbataan.gov.ph) Jobs available in these companies are manufacturing in nature. This data is the same with the findings of IBON Foundation in 2005. (Export Processing Zones, 2005)

Nowadays, universities are making sure that their graduates can easily find employment after graduation. (Sharma, Yojana, 2013) Today PUP Bataan Branch, being the only state university offering both baccalaureate degrees and diploma courses in the locality, consider itself responsible for producing future job applicants who have the necessary knowledge, skills, and trainings FAB locators need. By knowing the needs and preferences of locators in hiring people, PUP Bataan is given a clear track on improving its framework in molding employable graduates.

Through this study, the potential career of high school graduates taking non-baccalaureate degree programs can be assessed. At the same time, potential applicants of these companies would have an understanding of the factors which can determine their success of being hired.

This paper primarily seeks to determine the workforce requirements and preferences of FAB locators. Objectives included in this study are: (1) to know the size of workforce and the description of jobs opportunities in companies; (2) to identify the personal values and skills companies prefer among employees; (3) to find out how age, gender, and education contribute to the employability of potential applicants; (4) to determine degree programs and diploma courses preferred by locators; and (5) to know the level of employability of PUP Bataan graduates.

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MATERIALS AND METHODS

A quantitative research design using a one-shot survey design has been employed to solicit information among the locators in FAB. The purposive sampling technique was used to include all companies as part of the respondents to have an actual data of the current needs and preferences of the locators. The human resource department of each company served as the key informants for the self-administered questionnaire since it is the unit of every company responsible for recruitment and selection of potential hires.

The first part of the survey contains questions about the size of workforce and description of job opportunities in companies. The second part includes a rank scale to measure how companies give importance of the different personal values and skills among employees, as well their preferences on employee age, gender and educational qualifications. The last part of the instrument assesses the employability of PUP Bataan graduates and the potential workforce needed for the coming years.

Descriptive statistics using frequency, percentage, and mean are used to present and to discuss the responses of the locators on the different aspects of the research. In the discussion of this paper, data are organized in line with the set objectives.

Results:

More than half of the companies (53%) are composed of less than 100 workers. Meanwhile, more than one-fourths of the companies have a workforce of more than 500 employees while those companies with 100 to 299 workers and 400 to 499 workers are only consist of 17% and 4%, respectively.

With regard to skills preference, FAB locators consider adaptability, communication skills and problem-solving skills as their key considerations in hiring employees. Apparently, the two latter skills are seen as deficient among fresh graduate applicants in the study done in Melbourne. (Graduates, 2002) Both written and oral communication skills are also given importance in the study of Andrews and Higson. (Andrews, J. and H. Higson, 2008)

As to education, a big majority of respondents consider college degree as an important factor in hiring employees though only 9 per cent perceive it as very important. Almost all (90%) of the locators are willing to hire applicants who are certificate holders although not college degree holders. This shows that although college education is important for employment, specialized trainings matters to companies. Such can be traced from the data of Technical Education and Skills Development Authority in 2011 that around 250,000 graduates of TESDA-Accredited Vocational Schools are college graduate. (Jaymalin, M., 2011)

According to TESDA Director General Joel Villanueva, companies want applicants who have finished certain specialized technical courses.⁶ This supports the result that more than half of the locators (52%) are positive about hiring applicants who have earned a certification in a certain skill even without finishing high school.

Diploma holders appear to have an edge in the labor market in FAB. Most of the locators (86%) would hire applicants who have finished a diploma course on specific skills even without attending college education. A big majority (62%) showed positivity in hiring diploma holders of specific skills even without having finished high school.

Aside from educational background, gender is considered a basic factor in employment. In Mactan Export Processing Zone, the different jobs available for female workers was investigated. (Chant, S., 1995) In the case of FAB, results show that there are equal number of locators who prefer more male, more female, and a mixture of male and female employees.

In terms of age, almost all of the locators (90%) prefer employees who are between 21-29 years old while 10 per cent of them prefer employees who have ages of 30 to 39. This is the reverse in the case of employment in United States wherein there is more job opportunities for older people than young. (Banerjee, S. and S. Blau, 2013)

Apparently, results show that degree programs offered in PUP Bataan are relevant to the needs of FAB. The most preferred applicants of the locators are graduates of B.S. Accountancy and B.S. Industrial Engineering, as confirmed by more than half of the locators. Almost of them also prefer B.S. Business Administration while one of three of the locators favors B.S. Electrical and Communications Engineering. It is also worthwhile to note that more than one fourth of the locators consider graduates of B.S. Information Technology as a valuable part of their workforce.

Mechanical Engineers have the highest probability of getting a position among all other professionals. Since manufacturing companies operates in three (3) shifts, companies need Maintenance Officers that would ensure the good working condition of tools and equipment in the production area. Apparently, this program is not offered in PUP Bataan.

The second top of mind choice of locators is the Business Administration graduates to fill the positions for clerk, human relations officer, human resource officer, and even managers. Meanwhile, there is also a remarkable potential job positions offered to Accountancy and Industrial Engineering majors.

Aside from the baccalaureate degree Mechanical Engineering, locators are also considering Mechanical Technologists to carry out similar functions in production. Graduates of Electronics Engineering Technology, which happens to be offered in PUP Bataan, and Industrial Technology, are also being considered for the positions of Machine Operator and Machining/ Electronic Works, respectively.

Discussion:

Skills:

Flexibility. Working in the Freeport requires employees to work on three (3) shifts: 6:00 am -2:00 pm, 2:00 pm -10:00 pm, and 10:00 pm – 6:00 am. Adjustments in shifts are highly dependent to the production schedule of companies. Thus, this system requires employees who are flexible and adaptable to the changes in time shift.

Communication. Business communication also plays a major role in the goal achievement of a company in the production. In giving instructions and understanding orders, workforce must possess good encoding and decoding skills. On top of that, they need to have people skills to ensure healthy relationships between and among colleagues and to motivate other workers to accomplish set objectives in manufacturing.

Problem-Solving. As in any nature of work, the ability to handle difficulties is one fundamental skill in an employee. A production staff is expected to implement the most efficient and effective way of handling difficulties and to be able to troubleshoot possible problems that may be encountered before, during, or even after operations.

Values:

Honesty. Hiring workers with integrity has been the focus of the locators in the Freeport. People who do not compromise the quality of work with their self-serving interests are the ones being valued by the locators. Any company aims to be run by people with whom they can entrust resources even with minimal supervision.

Dedication. Considering the erratic schedule in manufacturing, locators want workers who can devote time and effort in finishing the target volume of production, most especially in times wherein they need to give out extra hours of service in ensuring the achievement of a goal.

Dependability. Locators value people who can carry out tasks excellently. They want their workers to be responsible for the completion of the work assigned to them which is considered at par with the quality standards of the companies.

Education:

Although people assume that tertiary education is the key in landing on a good job, this study found that such is not true in the Freeport Area of Bataan. Based on the results, having a college degree is not the primary consideration of locators in hiring workers but finishing high school is one requirement in entering companies. Similarly, Lowden *et. al.* found that although college degree is needed to be hired in certain jobs, it does not help to maintain employment for a long time. (Lowden, K., et al., 2011)

Comparing the data on the skills training of applicants, a big majority of locators prefer holders of *Certificate of Competency* in a specific skill while only about one out of four of them are definite about hiring graduates of Diploma courses. This preference of locators suggests that graduates of a skills training center have higher chances of getting job in the Freeport.

Such possibility is also strengthened by locators' willingness to hire workers who are graduates of a technical-vocational skills development (TVSD) center in Mariveles with 71%. Having shown such positive outlook on hiring locally-trained workers, the Municipality may consider conceptualizing a laboratory high school which would serve as a venue of training for the technical and vocational courses of junior and senior high school students.

Employee Profile Preferences:

Most of the companies have gender preferences in hiring employees having one-thirds male-dominated and another one-thirds female-dominated. Such tendency suggests that the nature of jobs available in a company dictates the gender of their hires. Some companies are highly for male-related skills while others are vastly for female-related skills.

With regard to age, it is expected that younger workers are preferred over older workers in the lines of manufacturing companies. Since almost all of the locators are involved in production, this assumption is also true in the Freeport. The 10 per cent of locators which prefer workers between the ages of 30 and 39 may not be after the youth-related abilities, but on the experience and expertise this age group has developed over the years of working with similar industries.

Employability of PUP Graduates:

Graduates of existing diploma courses offered in PUP Bataan, as well as of the Bachelor in Entrepreneurship degree program, currently do not have a significant mark as potential hires in the Freeport.

Such is aligned with the result that more locators are definite about hiring applicants who earned certificate on certain skills than those who finished diploma courses. This can also be due to the fact that these courses are still in their infancy stage in the University.

As far as other degree programs are concerned, the top three (3) courses in their list of potential hires are: B.S. Accountancy, B.S. Industrial Engineering, and B.S. Business Administration. Graduates of the said programs may not be targeted as production workers, rather, as office worker or management trainees.

With this information at hand, the institution can be seen as aligned with the manpower needs of the companies in the area of management and office procedures, and not so much on the manufacturing aspect.

Potential hires of Freeport locators:

With the results of the survey, professions related to mechanical knowledge are the most usual need of companies in the Freeport. Demands for engineers and technologists to serve as maintenance officers for the equipment and facilities in the production area are also evident among FAB locators.

In addition to these, office clerks, human resource personnel, human relations officers and managers are the positions which await graduates of Business Administration. Other courses offered in PUP Bataan which are relevant to the office jobs available are Accountancy and Industrial Engineering.

Meanwhile, graduates of diploma courses Electronics Engineering Technology and Industrial Technology are also seen as prospective needs of the companies in the areas of machine operations, machining, and electronic works.

Since every industrial zone has unique characteristics in terms of its locator employee preferences and available job opportunities, universities and colleges within or proximal to these areas must always ensure that programs offered fit the labor market of companies and that graduates being produced are adept to the changing preferences of potential employers.

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