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**LABOR MARKET INFORMATION (LMI) AND ITS IMPORTANCE IN
EMPLOYABILITY OF COLLEGE GRADUATES: A LITERATURE**

REVIEW

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ABSTRACT

This research paper aims to present different journals and articles that explains the importance of labor market information in addressing the employability of the job seekers in Region IV-A. It also presents the role of the Department of Labor and Employment in assisting job seekers, especially the college graduates, in finding employment after graduation. Further, discussion on employment and unemployment rate, and employability are also included. Specifically, it aims to target the job and skills mismatch in the province which will help in decreasing the

unemployment rate in the region. The review revealed that knowing the local labor market information has a significant impact in addressing the unemployment rate in the region.

Keywords: College Graduates, Employability, Labor Market Information, Importance

INTRODUCTION

There have been many programs and projects of the Philippine Government to address the employability of job seekers, especially the graduates. To many countries, employability of graduates has become an aim of government imposed on their higher education system (Yorke, 2006). Universities have been doing their best to produce graduates who are supposedly equipped with the skills and knowledge that are needed to be employed after graduation. Importance of improving information is an aspect of government's efforts in the promotion of employment in developed and developing countries (Betcherman, Olivas and Dar, 2004).

There is so much more to employability than gaining employment (Dacre Pool and Sewell, 2007). College graduates should not just focus on gaining employment in the future.

The Department of Labor and Employment (DOLE) has many programs to help facilitate job opportunities to job seekers and to help graduating students to be employable and to gain employment after graduation.

This study was conducted to show the importance of knowing labor market information and how graduates will be assisted in acquiring employment. It will demonstrate the relevance of one of the programs of DOLE, which will be of big help in alleviating the unemployment of graduates. It will also bridge the gap on job and skills mismatch, which is a major reason of unemployment in the Philippines.



Employability

Employability of students after graduation is a major issue for higher education as fresh graduates face a constant changing and extremely competitive employment world (Sarkar, Overton, Thompson and Rayner, 2016). As times change, skills, abilities and competencies needed to be employed also change. The achievements of graduates and their potential to obtain a job refers to employability (Yorke, 2006). According to Hillage and Pollard (1998), simply speaking, employability is the capability of a person to gain, maintain and obtain employment if necessary.

For most people, employability is simply getting a job (Dacre Pool and Sewell, 2007). Although employability is complex, there is no exact definition and articulation of it (Andrews and Higson 2008); it varies on what perspective you are looking into it and who looks into it.

Employment and Unemployment Rate

In the 20th century, employment growth rate was recorded at nearly 50% mainly on industrial, agricultural and services sectors (Urrutia, Tampis and Atienza, 2017). According to the Philippine Statistics Authority (PSA), employment rate in January 2020 is at 94.7 percent, which is equal to 42.5 million Filipinos employed. The labor force participation rate (LFPR) or those who are 15 years old and older is at 61.7 percent. The top three sectors with the largest share in the employment population were services, agriculture and industry sector, respectively. Majority of the employed persons were wage and salary workers or those workers who works for private households, private establishments, government and government-controlled corporations, and those who work with pay in family-operated business or farm. Majority of the employed workers were working for 40 hours or more.

In January 2020, unemployment rate is at 5.3 percent equivalent to 2.4 million unemployed Filipinos. By educational attainment, 26.7 percent were college graduates, which is more than one-fourth of the unemployed, who were holders of

bachelor's degree. These unemployed college graduates were results of job and skills mismatch.

Job and Skills Mismatch

The International Labour Organization (ILO) defines skills mismatch as the discrepancy between skills that are hunted by employers and the skills that are possessed by the job seekers. According to European Centre for the Development of Vocational Training (CEDEFOP, 2014), it is when there is an imbalance in the type of available skills and the labor market needs.

Education and skills mismatches are reported to result to a number of labor market outcomes (Allen and Velden, 2001). Quintini (2011) revealed that skill mismatches has been a constant emergent concern among policymakers, as it results to more unemployed and underemployed individuals. Researchers developed a framework wherein mismatch between available job vacancies and job seekers on all sectors results into higher unemployment rate by decreasing comprehensive job-finding rate (Şahin, Song, Topa and Violante, 2012).

Department of Labor and Employment and Labor Market Information programs

The Philippine Government operates a large menu of active labor market programs to assist youth, adults and disadvantaged groups find employment and/or develop sustainable livelihoods. Labor market programs are classified into four groups that mainly are focused on job placements and employment (Cunningham, Sanchez-Puerta and Wuemli, 2019).

Labor Market Information (LMI) includes all qualitative and quantitative data and analysis that pertains to employment and the workforce (Woods and O’Leary, 2006). It also includes not only the working class but also the job seekers. Part of DOLE’s mandates is the promotion of employment opportunities and enhancement of the development and utilization of the country’s manpower resources. As described by the Department of Labor and Employment (DOLE), labor market information provides timely, relevant and accurate data on the current labor market such as in-demand jobs, hard-to-fill jobs and skills shortages and should be provided to various clients such as students, job seekers, employers, policymakers, educational institutions and others.

The vision of the DOLE is to have every Filipino worker attain full, decent and productive employment. One of the programs of DOLE is to provide Labor Market

Information (LMI) to individuals, which will help them increase their chances of being employable and finding employment. A Brown and Hesketh (2004) study on employability and jobs in the knowledge economy revealed that the challenge facing the governments around the globe is to heighten employability of the workforce.

Among DOLE's employment programs that provide and promote employment opportunities for its clients are the Special Program for Employment of Students (SPES), which provides employment to poor but deserving students to assist them in financing their education. This program also serves as an employment experience to the beneficiaries that they can use in their future employment.

JobStart Philippines Program (JSP), administered by DOLE through the Local Government Units (LGUs) Public Employment Service Offices (PESOs), provides full set of remedial services to out-of-school youth to assist them to become job ready. Labor Education for Graduating Students (LEGS) aims to prepare the students in the world of work. This program will help graduating students become familiar with DOLE's services on employment facilitation, workers protection and social security coverage.

All the employment facilitation programs presented are readily available in the Public Employment Service Office (PESO) in every LGU in the Province of Rizal. PESO is a non-fee charging employment service facility in coordination with

DOLE pursuant to R.A. No. 8759 or the PESO Act of 1999 as amended by R.A. No. 10691. The PESO aims to ensure prompt and efficient delivery of employment facilitation services as well as to provide timely information on labor market and DOLE programs. One of the core services of PESO is Labor Market Information that covers all the discussions in this paper. Job vacancies with the corresponding job qualifications are submitted to the PESOs for matching with the job seekers.

CONCLUSION AND RECOMMENDATION

In conclusion, the articles reviewed showed that Labor Market Information is important in order to hasten the employment rate of a certain locality. The Philippine government, through the Department of Labor and Employment, has many initiatives to combat employment by providing labor market information to job seeking graduates. LMI reveals the job vacancies needed in the locality as well as the skills needed to fill in the vacancies posted. It forecasts the necessary skills and profession that will be available in two to three years for the students to know what available jobs offers will there be, thus, bridging the gap of job and skills mismatch.

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