



## Survey on Human Resource Management Practices

*(Last of a three-part series focusing on most important HR issues among large enterprises)*

### INTRODUCTION

This report is the last in a three-part series entitled "Survey on Human Resource Management Practices". This article focuses on human resource (HR) issues that are of utmost importance to business enterprises. Twelve (12) HR issues were listed in the survey questionnaire and respondents were asked to rate each according to their relative importance. The rating is a choice between "high" priority and "low" priority.

Survey results were based on the replies of 400 large enterprises in National Capital Region which were drawn from the List of Top 5,000 Enterprises in the Philippines as compiled by the Securities and Exchange Commission (SEC). Data collection was conducted by the Bureau of Labor and Employment Statistics (BLES) from October to December 2007 as a rider questionnaire to the 3rd quarter 2007 Labor Turnover Survey (LTS).

### SURVEY RESULTS

#### ***Skills/talent shortages as the biggest challenge confronting most HR practitioners***

- Shortage of qualified applicants ranked foremost among the HR concerns of the enterprises

covered in this survey. This was mentioned as "high" in importance by 39.3% of the total respondents.

**TABLE 1- HR Issues Considered High in Priority in Large Enterprises in National Capital Region: 3<sup>rd</sup> Quarter 2007**

Issue/Concern	Percent Share (%)
1. Recruitment problem/shortage of qualified applicants	39.3
2. High labor turnover rate	30.5
3. Absenteeism/tardiness	27.0
4. Theft/fraud/willful breach of trust	24.5
5. Low productivity	21.3
6. Lack of work ethics	20.5
7. Lack of motivation/initiative	18.8
8. Lack of skills	18.3
9. Sexual harassment	18.0
10. Pirating of workers	16.3
11. Lack of company loyalty	12.8
12. Inter-personal problems	6.5

*Source of data: BLES, LTS 3<sup>rd</sup> Quarter 2007.*

- High labor turnover rate ranked far second with 30.5% response rate. Note that this issue is closely related to the first issue on recruitment problem/

shortage of qualified applicants and also to the 10<sup>th</sup> issue on “pirating of workers” which scored 16.3%.

This finding underscores the fact that many companies are now pre-occupied with hiring the best and the brightest people and managing this issue in the midst of talent shortage is a big challenge to many HR practitioners.

***Absenteeism/tardiness a serious concern in enterprises engaged in real estate, renting and business activities***

- Absenteeism/tardiness garnered the third highest mention at 27.0%. The proportion varied across the sub-sectors, from a high of 44.1% in real estate, renting and business activities to a low of 8.3% in electricity, gas and water supply. Financial intermediation (35.7%) and wholesale and retail trade (33.9%) were the other industries which gave high importance on “punctuality”. (Table 2)
- Theft, fraud and willful breach of trust ranked fourth at 24.5%. The highest proportion was reported in financial intermediation (35.7%) and the lowest in hotels and restaurants (14.3%).

***Low productivity scored highest in real estate, renting and business activities and hotels and restaurants***

- Low productivity and lack of work ethics occupied the fifth and sixth positions. Their shares to total responses were almost at par, 21.3% and 20.5%, respectively.

Relative to other industries, low productivity was rated higher in real estate, renting and business activities (29.4%) and hotels and restaurants (28.6%) but scored lower in electricity, gas and water supply (16.7%) and construction (14.3%). (Table 2)

On the other hand, lack of work ethics scored higher in importance in financial intermediation (35.7%) and real estate, renting and business activities (23.5%) but garnered lower scores in transport, storage and communications (8.7%) and electricity, gas and water supply (8.3%).

***Lack of motivation/initiative and lack of skills most common HR issues in financial intermediation and hotels and restaurants***

- Three (3) HR issues received almost equal responses, namely: lack of motivation/initiative (18.8%), lack of skills (18.2%) and sexual harassment (18.0%).

Again, these proportions differed widely across sub-sectors. Enterprises engaged in financial intermediation recorded the highest proportion in terms of lack of motivation (23.8%) and sexual harassment (31.0%). On the other hand, concerns about lack of skills were posted highest (28.6%) in hotels and restaurants. (Table 2)

***Lack of loyalty and inter-personal problems were the least HR concerns***

- Lack of company loyalty and inter-personal problems were the two items at the bottom of the HR list. They were mentioned by only 12.8% and 6.5%, respectively, of all enterprises that responded to the survey.

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**TABLE 2 – HR Concerns Considered High in Importance by Top Enterprises by Major Industry Group, National Capital Region: 3<sup>rd</sup> Quarter 2007**

Major Industry	Total Respondents	Recruitment problem/Shortage of qualified applicants		High turnover rate		Absenteeism/Tardiness		Theft/Fraud/Willful breach of trust		Low productivity		Lack of work ethics	
		No.	% Share	No.	% Share	No.	% Share	No.	% Share	No.	% Share	No.	% Share
<b>All Industries</b>	<b>400</b>	<b>157</b>	<b>39.3</b>	<b>122</b>	<b>30.5</b>	<b>108</b>	<b>27.0</b>	<b>98</b>	<b>24.5</b>	<b>85</b>	<b>21.3</b>	<b>82</b>	<b>20.5</b>
Manufacturing	102	29	28.4	23	22.5	21	20.6	24	23.5	25	24.5	19	18.6
Electricity, Gas and Water Supply	12	5	41.7	1	8.3	1	8.3	2	16.7	2	16.7	1	8.3
Construction	28	11	39.3	10	35.7	4	14.3	7	25.0	4	14.3	5	17.9
Wholesale and Retail Trade	127	53	41.7	38	29.9	43	33.9	30	23.6	26	20.5	28	22.0
Hotels and Restaurants	14	3	21.4	4	28.6	2	14.3	2	14.3	4	28.6	2	14.3
Transport, Storage and Communications	23	7	30.4	7	30.4	3	13.0	4	17.4	-	-	2	8.7
Financial Intermediation	42	23	54.8	19	45.2	15	35.7	15	35.7	11	26.2	15	35.7
Real Estate, Renting and Business Activities	34	17	50.0	12	35.3	15	44.1	9	26.5	10	29.4	8	23.5
Other Industries	18	9	50.0	8	44.4	4	22.2	5	27.8	3	16.7	2	11.1

*Notes: 1. % share is the share of each item to total respondents in each industry.*

*2. Multiple responses allowed.*

*Source: BLES, LTS 3<sup>rd</sup> Quarter 2007.*

**TABLE 2 – HR Concerns Considered as High in Importance by Top Enterprises by Major Industry, National Capital Region: 3<sup>rd</sup> Quarter 2007 (Continued)**

Major Industry	Total Respondents	Lack of motivation/initiative		Lack of skills		Sexual harassment		Pirating of workers		Lack of company loyalty		Inter-personal problems	
		No.	% Share	No.	% Share	No.	% Share	No.	% Share	No.	% Share	No.	% Share
<b>All Industries</b>	<b>400</b>	<b>75</b>	<b>18.8</b>	<b>73</b>	<b>18.3</b>	<b>72</b>	<b>18.0</b>	<b>65</b>	<b>16.3</b>	<b>51</b>	<b>12.8</b>	<b>26</b>	<b>6.5</b>
Manufacturing	102	22	21.6	21	20.6	22	21.6	11	10.8	10	9.8	4	3.9
Electricity, Gas and Water Supply	12	1	8.3	1	8.3	2	16.7	2	16.7	1	8.3	1	8.3
Construction	28	2	7.1	6	21.4	3	10.7	7	25.0	2	7.1	1	3.6
Wholesale and Retail Trade	127	27	21.3	20	15.7	19	15.0	14	11.0	21	16.5	11	8.7
Hotels and Restaurants	14	3	21.4	4	28.6	2	14.3	2	14.3	2	14.3	1	7.1
Transport, Storage and Communications	23	1	4.3	-	-	-	-	5	21.7	2	8.7	-	-
Financial Intermediation	42	10	23.8	9	21.4	13	31.0	11	26.2	8	19.0	5	11.9
Real Estate, Renting and Business Activities	34	6	17.6	9	26.5	8	23.5	9	26.5	4	11.8	2	5.9
Other Industries	18	3	16.7	3	16.7	3	16.7	4	22.2	1	5.6	1	5.6

**Notes: 1. % share is the share of each item to total respondents in each industry.**

**2. Multiple responses allowed.**

**Source: BLES, LTS 3<sup>rd</sup> Quarter 2007.**