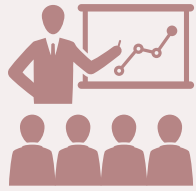




**PHILIPPINES**  
NATIONAL  
EMPLOYABILITY  
REPORT  
**GRADUATES**

Annual Report 2017

# GRADUATES



**A**spiring Minds is a global job skills credentialing leader set up with a vision to create a merit driven talent ecosystem and enable efficient job skills matching by crafting credible and intelligent assessments. The company offers scientific assessments with an innovative large-scale sourcing model analogous to a GRE-for-job concept. The state-of-the-art assessment tools developed by Aspiring Minds have been used across industry verticals to help recruit the right people, develop profile-wise employability benchmarks and assess workforce health.

The flagship product AMCAT, is the world's most widely-taken employability test helping over two million candidates find the 'right' jobs every year. Backed by state-of-the-art, adaptive assessment technology and machine learning algorithms - it allows adaptive, standardized and reliable measurement of generic employability skills (language, cognitive, behavior) and a wide range of functional skills using simulated assessments.

Aspiring Minds enables job seekers to evaluate their job skills, earn industry recognized credentials and find appropriate career opportunities. We also help companies dramatically improve their quality and efficiency of hiring and are today associated with more than 3500 corporations in sector as diverse as BFSI, IT, ITeS, Hospitality, Retail, etc.

Aspiring Minds is a 500+ people strong organization with operations in US, China, India, Middle East, Tanzania, Bangladesh, Philippines and Sub-Saharan Africa. The client list includes Sapient, Coca Cola, GE, Genpact, Bank of America, CITI, HCL, Axis Bank, Wipro, Tata Motors, Daimler, HDFC Bank, Microsoft, Mphasis, DUPONT, Hyundai, ZS Associates, Ericsson, Deloitte, Huawei, John Deere and many more.



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PHILIPPINES  
NATIONAL  
EMPLOYABILITY  
REPORT

# Introduction

Aspiring Minds is in its third year of assessing candidates across Philippines on standardized multidimensional assessments. We, today, have amassed substantial learning – both conceptual and empirical – with regard to what makes someone employable in a particular profile of a certain sector. With these learnings gathered from a large set of students and corporations, we embark upon bringing out the first edition of the National Employability Report - Philippines. This is in the same vein as Aspiring Minds' earlier efforts in objectively gauging the employability of engineers<sup>1</sup> and graduates<sup>2</sup> for various jobs in India.

The report defines the employability for different corporate sectors and profiles, and analyses the percentage of employable graduates in sectors that they aspire to work in. This work has not only added to the public discourse of concentrating on quality rather than just quantity, but provided multiple insights on competencies on which training institutions should focus. With this report, we put together a comprehensive study measuring employability in Philippines. The reported low employability serves as an eye opener, suggesting a pressing need for education and policy reforms.

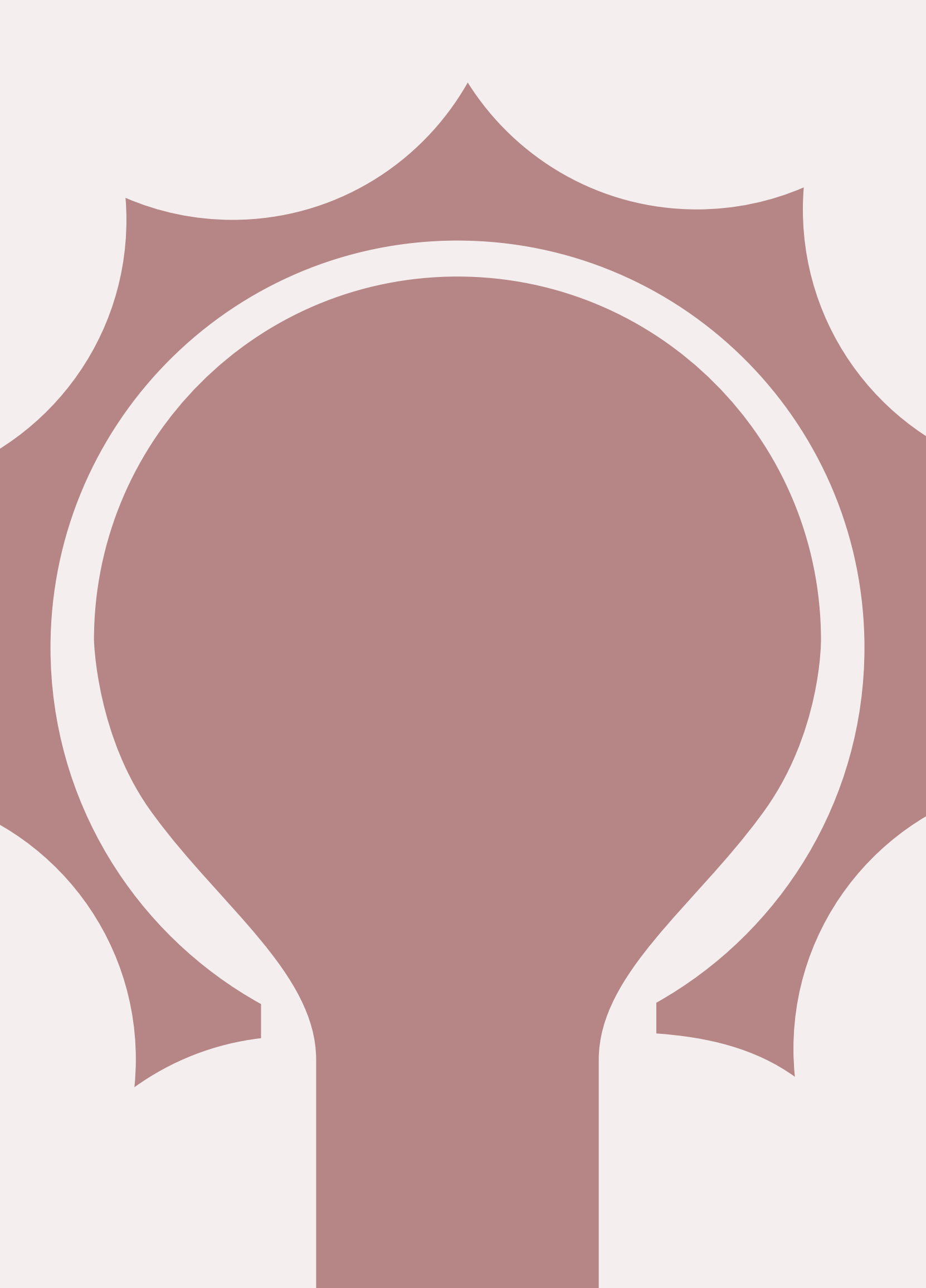
We attempt to gain a clear understanding of exactly what percentages of graduates are employable for job profiles of their choice. Given that the IT industry in Philippines is growing at a rapid pace, we have tried to gauge the trainability of graduates in IT Services roles. The report also covers a comparison of proficiency across various skills between Philippines and India. We sincerely believe that this report will serve as a useful tool to educationists, policy makers and corporations. This will help to reflect and implement the right interventions to bridge the gaps.

I hope you will find the analysis and resultant findings thought provoking. You, like me, will recognize the need for new methods for guiding the budding workforce, to become employable and finally help each one get a job just by merit. I look forward to engaging with you in such discussions to take our efforts for a better Philippines.

Varun Aggarwal

Director, Aspiring Minds Assessment Pvt. Ltd.

<sup>1</sup> Aspiring Minds National Employability Report | Engineers | 2016  
<sup>2</sup> Aspiring Minds National Employability Report | Graduates | 2013





# Executive Summary

The key findings of the present study are as follows:

- **65% candidates are not employable in their sector of choice in the job economy**

Employability in Philippines varies from 3.52% for Business Analysts to 29.48% for Data Entry Operators and 53.53% for Nurses. A significantly high percentage of candidates, nearly 65%, were found not employable in the role of their choice. An economy with a large percentage of unemployable candidates is not only inefficient, but socially unstable too. This calls for substantive intervention in curriculums and teaching pedagogy at school and college level to improve basic skills of students.

- **Low employability figures are obtained for roles in the BPO sector**

Business Process Outsourcing is one of the major sectors in the country and one of the largest contributor to Philippines' economy. Employability figures observed for the sector are worrisome, given the criticality and high demand of workforce in this area of the job economy. We find that for various functions in the BPO sector – Inbound Customer Service, Outbound Sales and IT Helpdesk, only 21.90%, 14.15% and 12.25% candidates are employable out of the total graduates who aspire to work in the respective roles. Highest skill gap is observed in cognitive skills, which are strong predictor of on-the-job trainability.

- **Lack of adequate domain skills is the key reason for low employability in BFSI sector**

The study shows that candidates aspiring to work in the Banking and Financial Services sector lack the requisite domain knowledge as per industry standards. It can be inferred that candidates do not understand the domain concepts and those who do, lack understanding of application in real life scenarios. Thus, the education system needs to lay emphasis on on-the-job application of concepts and industry readiness.

- **Gender does not serve as a strong differentiating factor for employability in graduates**

Marginal difference is observed in employability of males and females across roles, with a few exceptions in roles like Outbound Sales, Food & Beverage Services, Accounts Payable/Receivable Professional. These results are in line with the distribution of employed women and men by occupation group, as observed in a report by the Philippines Statistics Authority<sup>3</sup>. The distribution of women and men employed in the economy is observed to be largely equal, hence supporting the comparable employability figures observed for the two sets.

<sup>3</sup> Philippines Statistics Authority | Women and Men Handbook Philippines 2016



# Executive Summary

- **Top 50 colleges have better quality of candidates, however, significant percentage (64%) of employable pool lies beyond top 50 colleges**

Candidates graduating from top 50 colleges in the country are significantly more employable than those graduating from remaining colleges in most of the job roles. However, the report unveils that as high as 64% of total employable candidates in Philippines are studying beyond the top 50 colleges. This indicates that a large proportion of employable graduates potentially remain unnoticed to most employers because they graduate from low tier colleges. This signals a need for methods to introduce meritocracy in the employment ecosystem to ensure every employable graduate gets a job.

- **Areas that need maximum improvement in spoken English ability are fluency, pronunciation and spoken English comprehension**

Mean scores on SVAR, Aspiring Minds' flagship spoken English assessment tool, and distribution of spoken English skill levels indicate that graduates lack the requisite skill level in fluency, pronunciation and spoken English understanding. As high as 70.44% lack the fluency to the level where it gets difficult to comprehend their speech, while 48.17% candidates have poor pronunciation skills, and 58.27% lack the ability to comprehend basic level of spoken English.



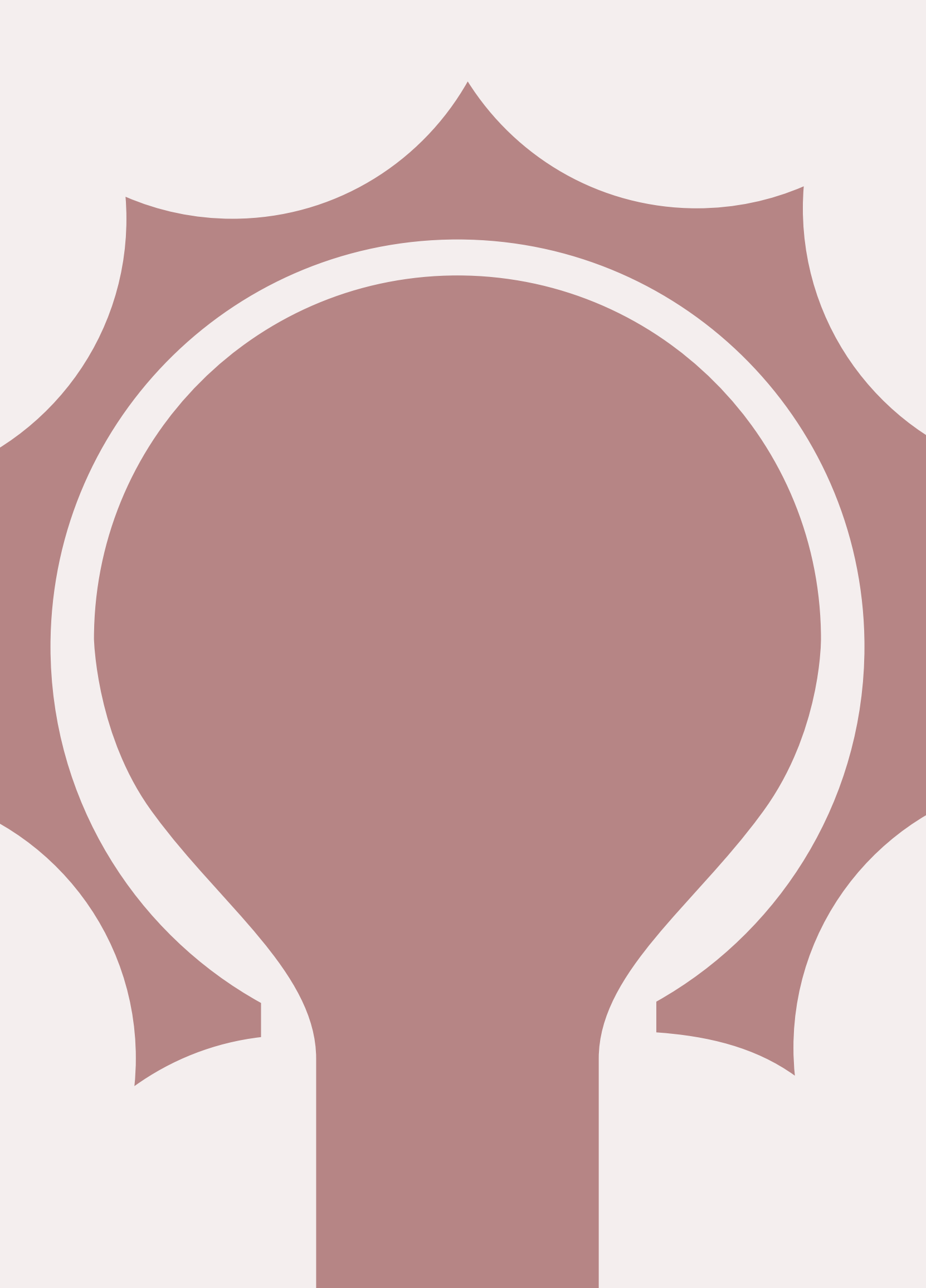
# Methodology

This report is based on a sample of 60,000 students from 80+ colleges across multiple regions in Philippines. The analysis and findings of this report are based on the results of these students on AMCAT: Aspiring Minds Computer Adaptive Test, which is the world's largest and standardized employability test. AMCAT covers all objective parameters such as English communication, Quantitative aptitude, Problem-solving skills, knowledge of domain areas such as Financial & Banking services, Accounting, Food & Beverages, HR practices etc. for determining employability in the BFSI, BPO & Hospitality roles. This test was conducted under a proctored and credible environment ensured by Aspiring Minds.

Employability has been quantified based on the benchmarking studies done at various companies in different sectors by Aspiring Minds. Currently, AMCAT is used by more than 30 companies for their assessment and recruitment solutions. The benchmark for employability in a profile and sector is defined by a theoretical understanding and empirical validation of the knowledge, cognitive skills and domain expertise required. The benchmarks established for different profiles ensure both elimination of unsuccessful candidates for a job (elimination of type I error) and inclusion of all candidates who will be successful in the given job (elimination of type II error). The same has been validated among multiple companies in various sectors. In order to get more accurate results employability for a role is calculated only for those candidates who aspire for it.

The report comprises data garnered broadly five sectors – Business Processing Outsourcing (BPO); Hospitality; Banking, Financial Services and Insurance (BFSI); Nursing and other occupations. It also covers a section on Skill Comparison between Philippines and India where English comprehension, cognitive and technical expertise are compared to understand the skill variance across geographies. In the last chapter, the report unveils the spoken English ability of graduates in Philippines.

Together with the AMCAT scores, various demographic details of the candidates, such as gender, current residence city, college name, etc. are also captured by Aspiring Minds testing platform, which enables a comprehensive and meaningful analysis provided in the report.



# 1 Employability by Role

The report tries to identify patterns in employability across different job sectors by analysing in detail the distribution of employability across various roles. It covers knowledge economy roles from various sectors such as Business Processing Outsourcing, Hospitality, Banking & Finance, Nursing and other occupations. We have worked to draw skillsets for additional careers such as Content Writer, Human Resource and Marketing Manager through theoretical and empirical evidence, and report employability for these. Along with these, we have also computed the trainability of graduates in IT services roles.

The criteria for employability is based on the studies conducted with various corporations in these sectors, benchmarking their current employees in various profiles through objective assessment based on AMCAT and establishing feedback through on-the-job performance data. These benchmarks serve as a standard for several large-sized companies across the nation.

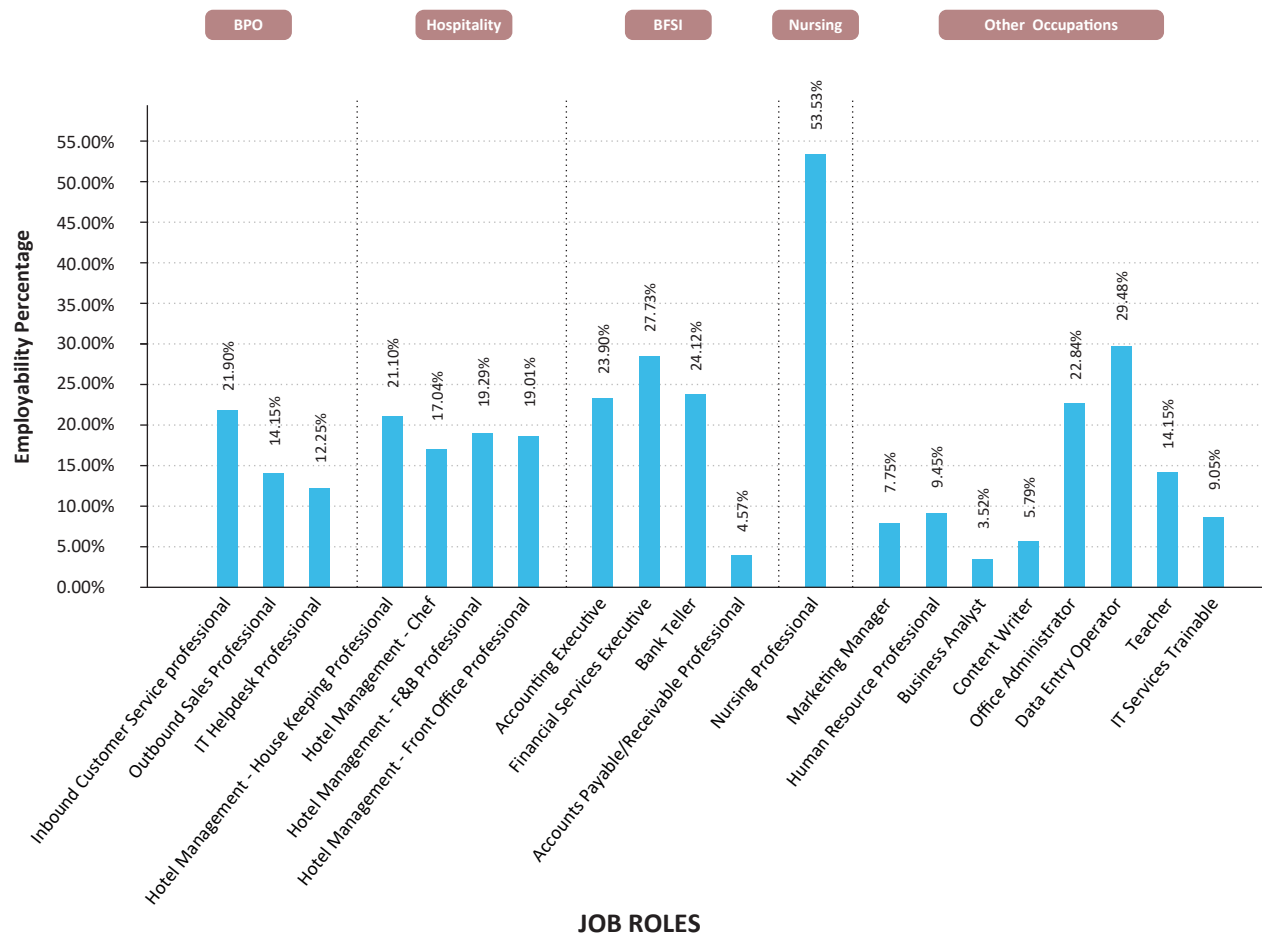


Figure 1: Employability Percentage of Graduates across Different Sectors

The employability of graduates in various roles of their choice is shown in Figure 1. The following observations can be made:

## BPO Sector

**Inbound Customer Service Professional:** Employability of aspirants for this role is 21.90%. Inbound Customer Service Professional is mainly concerned with addressing as well as processing customer requests and queries. Candidates suitable for these roles should possess the ability to gather, comprehend and evaluate information from single or multiple sources, which only 48.65% aspirants seem to have. Since roles like these demand regular interaction with customers with varied queries and temperament, personality and English comprehension ability play a crucial role. As per the current study, only 54.50% candidates know how to handle a customer-centric situation efficiently.

**Outbound Sales Professional:** In this profile, a candidate has to reach out to customers or institutions/businesses to sell the products/services of the company they are working for. This requires basic logical ability to understand the product/service being sold, understand the client's requirement and make a strong case for the customer to buy. We find that 14.15% qualify for Outbound Sales role.

**IT Helpdesk Professional:** 12.25% candidates are employable for IT Helpdesk roles. It should be noted that the employability has been calculated according to the current hiring philosophy of IT and ITeS companies, where the candidate is expected to possess good communication skills and domain knowledge related to the product and services. As the role requires understanding/use of computers, learning levels of candidate are analysed by their responses to computer fundamentals questions administered through AMCAT. One may note that 82.99% have requisite communication skills, while only 29.62% candidates are familiar with the fundamentals of computer.

## Hospitality Sector

**Hotel Management – House Keeping Professional:** Typical responsibilities of a House Keeping Professional include laundry, mopping, dusting, vacuuming, cleaning and sometimes cooking and food presentation as well. Being a customer oriented job, housekeeping requires a person to be highly conscientiousness and to abide by rules. Unfortunately, we find that on an average 45.74% aspirants do not possess the required personality trait and 31.88% lack the domain skills for this role, while overall employability is observed to be only 21.10%.

**Hotel Management – Chef:** A chef is professional cook in a restaurant. It is important for a chef to be innovative with food preparation and to be open to new ideas to present an exciting menu. More than any other skill, a chef must excel in cooking skills. However, the study unveils that approximately 60% candidates lack in culinary skills.

**Hotel Management – Food & Beverage Professional:** Food & Beverage Professional is responsible for the overall operations of a restaurant and/or food vending organisation. In this profile, the candidate is expected to hire staff, purchase food & stock, train workforce on proper food & beverage preparation, service kitchen safety and health standards. They may also have to interact

with customers, and should exhibit good communication skills with due courtesy. The report shows that 80% candidates do not qualify for this role as they lack adequate domain knowledge and soft skills to take up the responsibilities.

**Hotel Management – Front Office Professional:** Front Office roles do not require any specific domain knowledge, instead good spoken English skills for day-to-day conversations with visitors and basic logical skills to deal with them suffice to excel in the job. Despite these liberal requirements, only 19.01% candidates are found to be employable.

## BFSI Sector

**Accounting Executive:** This role requires thorough knowledge of accounting and financial procedures, along with moderately good quantitative skills and ability to crunch numbers. It requires the individual to prepare, compute, manage and analyse all accounting data in order to draw insights. The analysis shows that only 41.45% applicants have requisite English and cognitive skills, while the figure drops to 23.90% when domain knowledge is taken into account.

**Financial Service Executive:** As the study reveals, the finance industry is likely to find only 9 out of every 100 applicants employable for this role in Philippines. Good knowledge of financial and banking services is a must for this sector. While 73.09% candidates miss out on domain skills, it is observed that 58.90% lack quantitative & English competence.

**Bank Teller:** Bank Teller is an employee of a bank who deals directly with customers, sometimes known as Customer Representative. Everyday tasks of a Bank Teller include receiving deposits & loan payments, cashing checks, issuing saving withdrawals and providing other banking services. Some banks provide on-the-job training, however, most employers seek candidates with decent know-how of bank telling operations and quantitative ability. Despite this, only 27.73% candidates are found to be employable.

**Accounts Payable/Receivable Professional:** Another role in finance and banking sector is of Accounts Payable/Receivable professional. This role demands advanced mathematical and logical deduction skills. It requires the individuals to audit accounting ledgers and ensure that they contain correct information, such as billing addresses & invoice number and resolve discrepancies in account, if any. It also involves client engagement for collection and release of payments. 76 out of 100 candidates do not qualify as they lack the adequate quantitative and functional skills required to take up the responsibility of this role.

## Nursing Sector

**Nursing Professional:** Since nursing is a hands-on job, it is imperative that a Nursing Professional understand the basics of various daily care and grooming rituals; are well acquainted with the medical tools and equipment used and are aware of the various health and safety standards to be

upheld. Their constant interaction with patients seeks high level of agreeableness, which only 66.35% candidates seem to have. On combining personality traits with nursing skills, the study reveals that highest employability of 53.53% is observed for Nursing Professional.

## Other occupations

**Marketing Manager:** With the advancing globalisation, a company's products and services gain its brand value when more people relate with it. Be it an emotional ad or attractive quote or endorsing an event, something which helps to connects with the masses results in maximizing sales, in turn company profits. A marketing manager is expected to develop, implement and execute marketing plans for the entire line of business. A worrying low employability percentage of 7.75% has been observed for this role.

**Human Resource Manager:** A Human Resource Manager employee operational management, applicant tracking, conducts recruitment analysis, plans employee orientation-training program. Since the role requires direct interaction with existing and potential employee, it is important to assess the situational judgment skills of a candidates. Unfortunately, 44.43% candidates do not know how to react in a given HR centric situations, which falls as low as 9.45% when English, cognitive and personality skills are taken into account.

**Business Analyst:** The study unveils that the Knowledge Process Outsourcing (KPO) industry in Philippines is likely to find 3.52% candidates employable for analytical roles. Highly developed written communication and analytical skills are essential for this role. In this study, we found that 72.02% candidates miss out on English communication and a considerable number of 83.73% strongly lack the analytical skills.

**Content Writer:** A Content Developer is expected to create new content from scratch, re-write existing content or proof read the content. The role requires exceptional command over written English, basic cognitive skills, an eye for detail and an unconventional broad-minded thought process. Surprisingly, a low percentage of 5.79% candidates are found perfect fit for content writing roles.

**Office Administrator:** Office Administrators are involved in office administration and support activities. Main work responsibilities include fielding telephone calls, receiving visitors and processing transcript requests. It is observed that only 22.84% candidates are employable for this role.

**Data Entry Operator:** Our study shows that 29.48% applicants are employable for data entry roles – the role with second highest employability. As high as 54.34% candidates lack attention to detail which is an important skill as they are required to work on repetitive tasks of record keeping, typing, inventory management, basic word processing and computing skills.

**Teacher:** Teaching role demands good cognitive skills to dive deep into the curriculum, understand

and impart it individually or to a group of students. Communication skills is an essential skill, and with English medium education forming a large part of the education system, the role entails good command over written and spoken English. The study unveils that only 14.15% candidates are equipped for teaching roles in schools, colleges and institutions.

**IT Services Trainable:** The employability criterion for this role is to gauge whether a candidate is trainable or not for IT industry functions such as software development, system engineering and software testing. Hence, he/she is not expected to possess the technical expertise, rather his/her on-the-job trainability is checked. A candidate is expected to have both a basic command of the language and quantitative ability, along with requisite cognitive skills to respond to on-the-job learning. Considering these rather lax requirements, the fact that only 9.05% of the graduates are IT Services trainable, is alarming to say the least. The research further shows that 38.21% graduates are rejected as they lack the requisite cognitive skills, whereas around 74.80% lose on quantitative ability

# 2

## Employability by Gender

Gender plays a vital role in employability across the world. Females may perform better in a set of job roles while males perform better in a different set. By looking at employability by gender, we will be able to understand the diversity across various roles in Philippines. To further understand the trend, skill analysis is done on the basis of their scores in AMCAT modules. It must be noted that Philippines has equal proportion of male and female citizens.

The figure below illustrates the employability distribution:

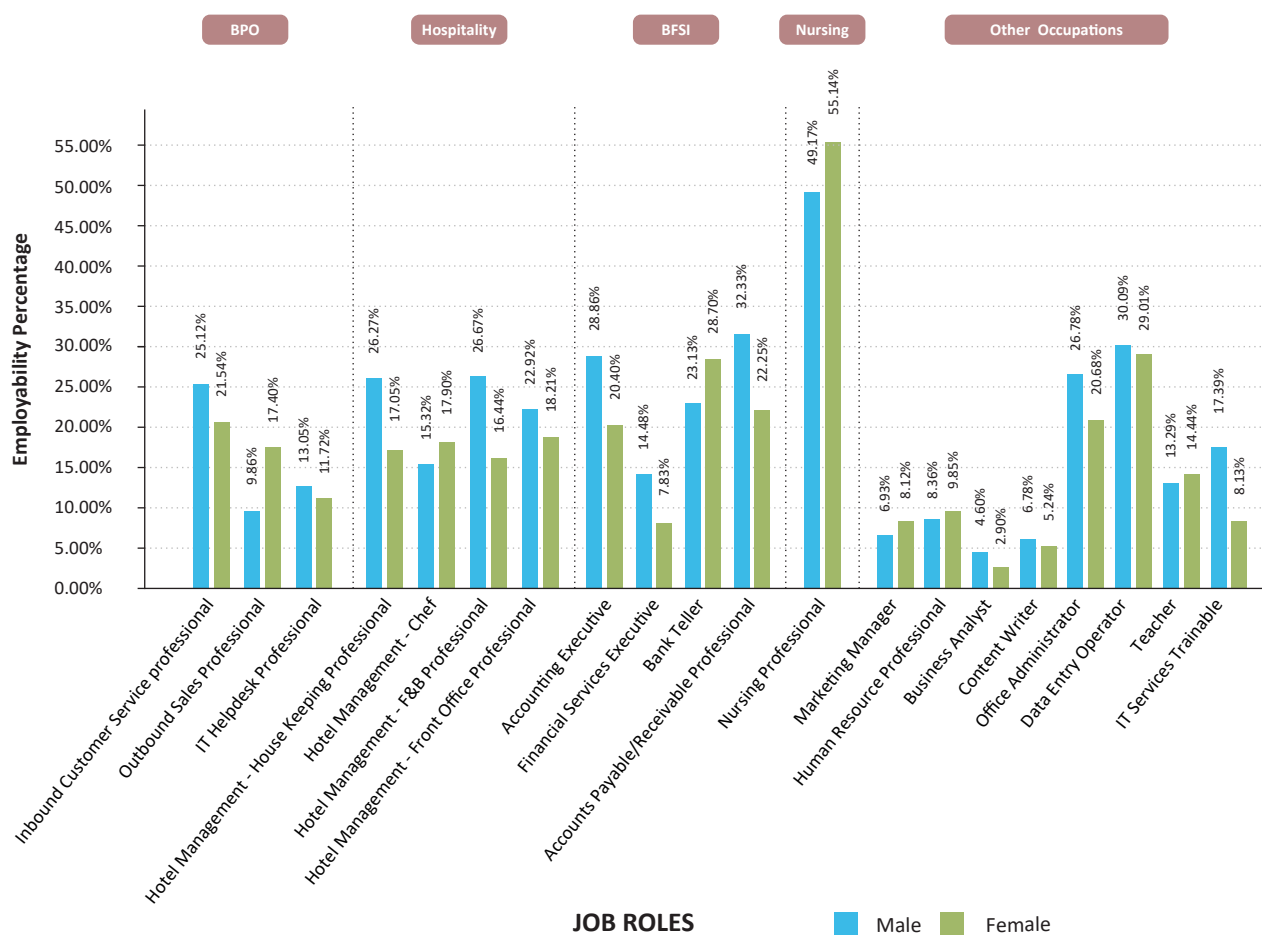


Figure 2: Employability Percentage – Male vs. Female

The analysis shows that employability for males and females is almost equal, making each role bereft of any gender-bias. Males have higher shortlist rate in roles like Housekeeping, Accounting, Financial Services, Food & Beverage Services and Administrative roles whereas females are more employable in Outbound Sales, Chef, Bank Teller, Teaching and HR roles. Though largely, gender doesn't serve as a strong differentiating criteria for the employability among the candidates who aspire to for same role.



Similar trend is observed on comparing the skills across gender. The following table shows the mean scores of males and females in Philippines on AMCAT modules which tests their English comprehension skills, cognitive skills and domain knowledge. A positive difference in mean scores indicates that males have scored higher than females, and vice-versa.

A difference of 27 marks is observed between Quantitative Ability across males and females. This can be attributed to higher employability of males in roles which require number crunching. Score difference of -33, -32, -0.26 in Housekeeping, Bank Teller Aptitude and Teaching Situational Judgement Test respectively accredits for high employability of females in roles which require these skills.

AMCAT Modules	Mean score		Difference
	Male	Female	
<b>Cognitive and Language skills*</b>			
English Comprehension	516	521	-5
Logical Ability	413	404	9
Quantitative Ability	389	360	27
Information Gathering and Synthesis	573	578	-5
<b>Situation Judgment skills**</b>			
Sales Competency Test	0.08	0.11	-0.03
Customer Service Situational Judgment Test	-0.36	-0.10	-0.26
HR Situational Judgment	0.41	0.58	-0.17
Teaching Situational Judgment Test	-0.05	0.21	-0.26
<b>Domain skills*</b>			
Marketing	415	412	3
Basic Computer Literacy	525	538	-13
Analytical Skills	356	352	4
Financial Accounting	494	476	18
Financial and Banking Services	494	480	14
Bank Teller Aptitude	376	408	-32
Accounts Payable	391	410	-19
Accounts Receivable	428	432	-4
Housekeeping	475	508	-33
Culinary Skills	549	551	-2
Food and Beverage Services	535	530	5
Front Office Management	447	444	3
Office Administration	541	554	-13
Nursing	546	538	8

Table 1: Average AMCAT Score – Males vs. Females

\* Scores on a scale of 100 to 900

\*\* Z-scores on scale of -4 to 4

# 3

## Employability variance in Colleges

The employability varies drastically across colleges in Philippines. There are many reasons for this variance such as quality & quantity of intake, education, opportunities, infrastructure etc. Therefore, it is important to understand the intensity of employability variance across colleges and in turn, identify job roles which have varied quality of candidates in top 50 and remaining colleges, and those that have marginal difference. Apart from discussing the proportion of employable candidates from top 50 and remaining colleges, the report also covers a comparative study where scores from the two categories are analysed.

With the help of college rankings provided by various credible public surveys and government organisations, we analysed the employability in colleges in Philippines and segregated the top 50 colleges from the remaining.

The following figure presents the comparative analysis of the employability for top 50 colleges versus the remaining.

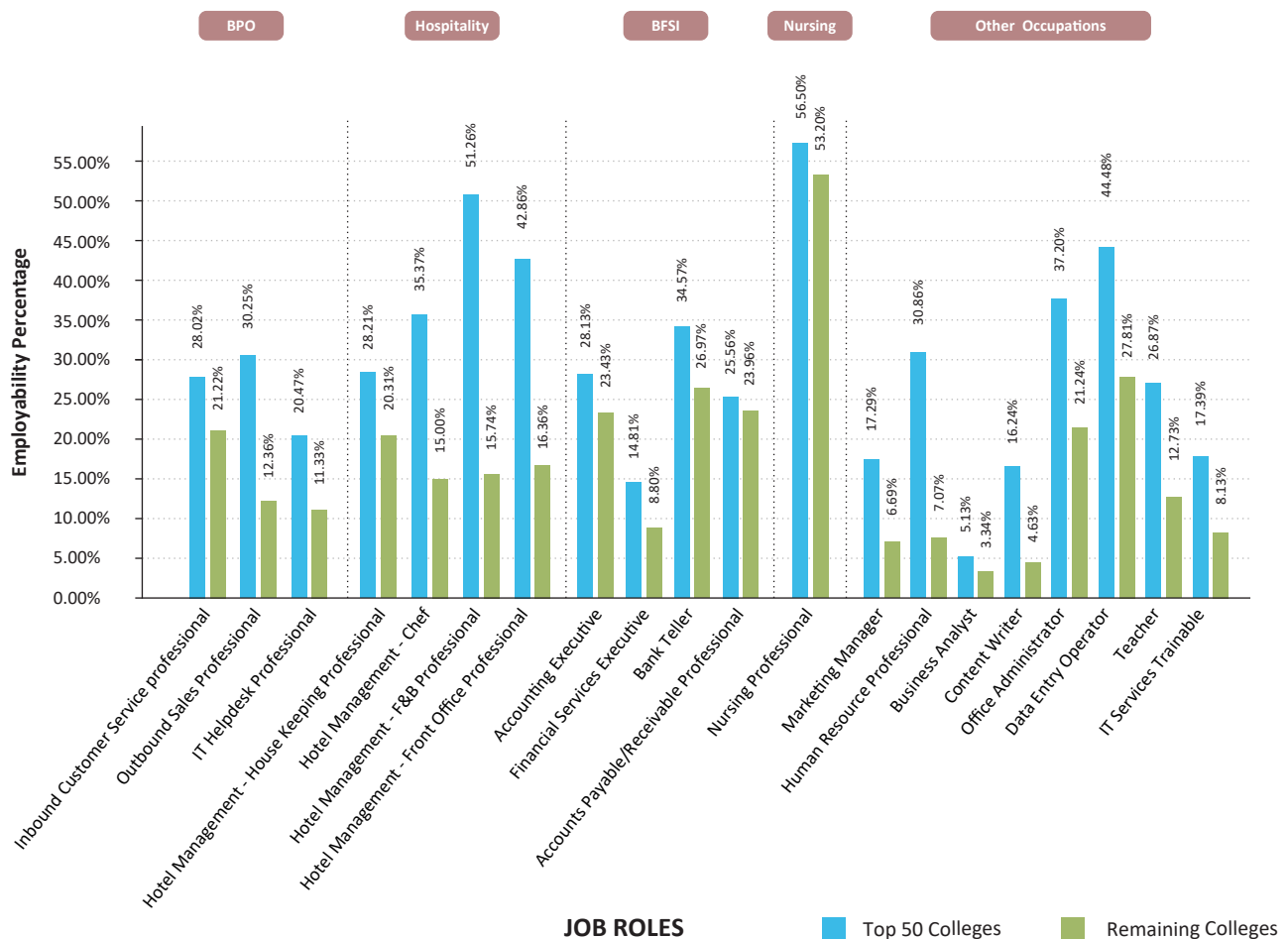


Figure 3: Employability Percentage – Top 50 Colleges vs. Remaining

The following trends are observed:

The study found that employability trends show significant variance with respect to college rank. As expected there is a drop in employability from top 50 colleges to remaining colleges. It must be noted that employability is calculated as a function of candidates who aspire to work in that role. Maximum difference in employability from top 50 colleges to the remaining colleges is observed for the following roles: Human Resource (4 times), Content Development (3 times), Food & Beverage (3 times), Front Office (3 times), Marketing (3 times), Chef (2 times) and Outbound Sales (2 times).

The study also investigates skills that are lacking in colleges other than the top 50 colleges of Philippines. There is a gap of 124, 93 and 60 marks in Information Gathering & Synthesis, English Comprehension and Logical Ability. In domain skills, maximum gap is observed across Office Administration (72), Culinary skills (65), Housekeeping (56) and Financial & Banking Services (53). This calls for an immediate effort to improve the cognitive skills of students passing out of colleges other than the top 50 colleges, whereas consistent effort is needed in other areas as well.

We find that the ratio of the candidates enrolled in top 50 colleges to those in remaining colleges is almost 1 is to 10, given the employability of candidates across various roles, one can conservatively estimate that 36% of the total employable candidates lie in the top 50 colleges. Most of the companies visit only high-ranking colleges for their entry-level hiring. Thus, 64% of employable total candidates studying in colleges other than the top 50 colleges, remain unnoticed to most employers, even though they have equal proficiency and employability as a candidate studying in top 50 colleges. This signals that large proportion of employable graduates are unable to get a job in the area they aspire to work in.

AMCAT Modules	Mean		Difference
	Top 50 colleges	Remaining colleges	
<b>Cognitive and Language skills*</b>			
English Comprehension	550	457	93
Logical Ability	427	367	60
Quantitative Ability	384	333	51
Information Gathering and Synthesis	617	493	124
<b>Situation Judgment skills**</b>			
Sales Competency Test	0.17	-0.15	0.32
Customer Service Situational Judgment Test	-0.16	-0.23	0.07
HR Situational Judgment	0.61	0.42	0.19
Teaching Situational Judgment Test	0.35	-0.38	0.73

Table 2a: Average AMCAT Scores – Top 50 Colleges vs. Remaining

\* Scores on a scale of 100 to 900

\*\* Z-scores on scale of -4 to 4

AMCAT Modules	Mean		Difference
	Top 50 colleges	Remaining colleges	
Domain skills*			
Marketing	426	378	48
Basic Computer Literacy	547	509	38
Analytical Skills	355	348	7
Financial Accounting	514	472	42
Financial and Banking Services	494	441	53
Bank Teller Aptitude	402	402	0
Accounts Payable	442	402	40
Accounts Receivable	472	426	46
Housekeeping	532	476	56
Culinary Skills	566	501	65
Food and Beverage Services	545	505	40
Front Office Management	454	432	22
Office Administration	567	495	72
Nursing	547	496	51

Table 2b: Average AMCAT Scores – Top 50 Colleges vs. Remaining

In summary, the study found that candidates from top 50 colleges have considerably high employability than those from remaining colleges. The maximum ratio of employability is observed to be 4 times. Similarly, on comparing the skills proficiency, candidates of top 50 colleges have outscored remaining colleges. Finally, we find that almost 64% of employable candidates are enrolled in campuses other than the top 50, thus deserving candidates from other colleges go unnoticed to most employers in Philippines.

\* Scores on a scale of 100 to 900

# 4

## Employability by Region

The general view is that colleges in metro cities provide better exposure and education to its students, in turn, having more employable students than those in non-metro cities. By examining the employability of a region, we can ascertain positive effects of demographic location on industry-readiness of candidates.

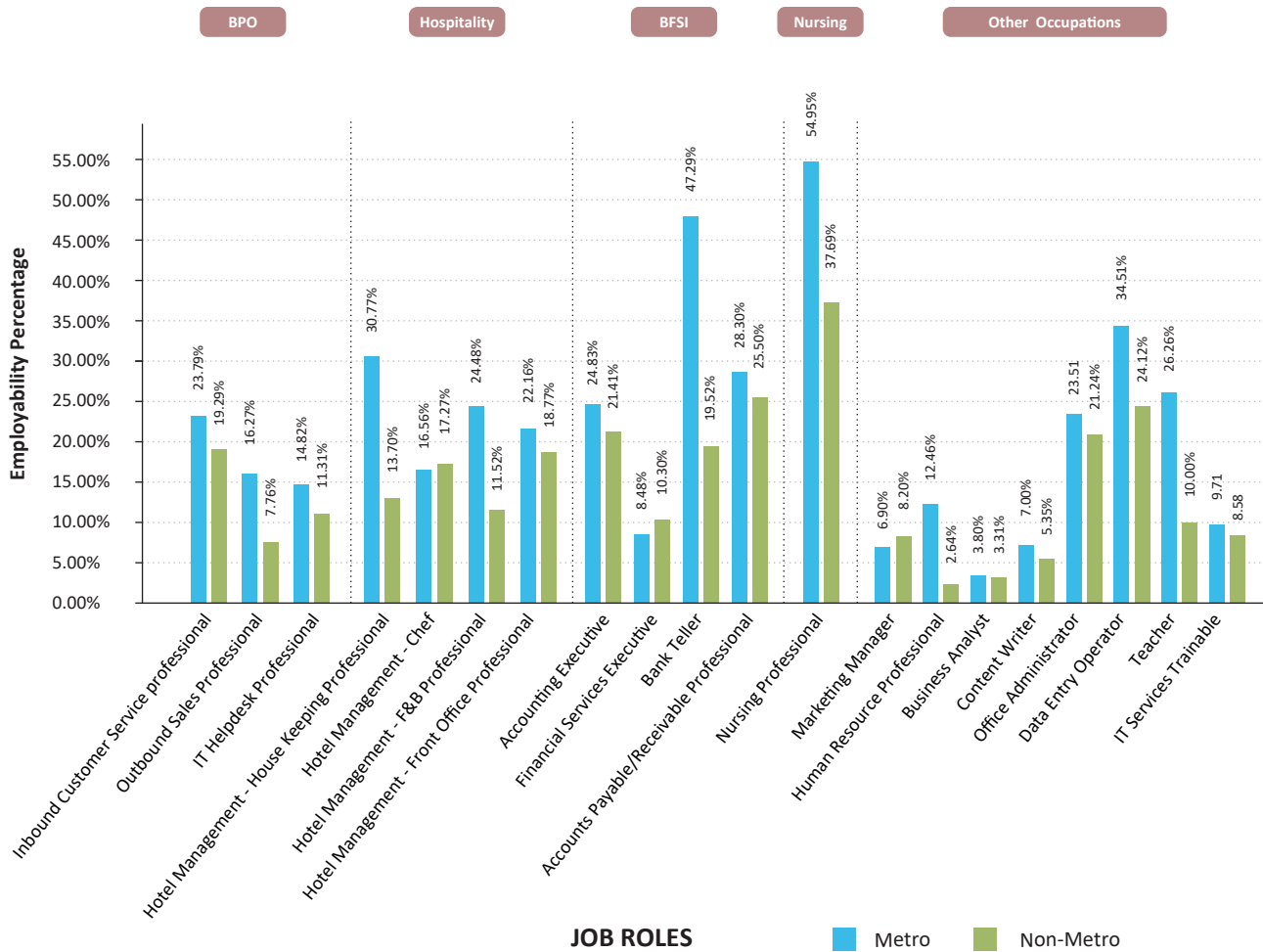


Figure 4: Employability Percentage – Metros vs. Non-Metros Colleges

As it may be noted, colleges in metro cities have higher employability than those in non-metro cities in most of the roles. This clearly shows that the regional whereabouts of a candidate affects his/her employability. It is found that non-metro cities have similar or slightly higher employability of candidates who aspire for roles like Marketing Manager, Financial Services Professional and Hotel Management-Chef. To further understand the reason for lower employability of candidates from non-metro cities, the next table shows the difference in mean AMCAT scores between metros and non-metros.

From the skill comparison table we can infer that the students studying in metro cities have scored

higher than those from non-metro cities in cognitive skills and English comprehension. This can be attributed to the fact that campuses in metro cities have better exposure to English and advanced learning ability. A candidate with higher score on cognitive module is likely to be more trainable than a low scorer. On comparing domain skills, a similar trend is observed as that of employability. Maximum gap is observed across Nursing, which is inline with the fact that non-metro cities usually have less technological advancement in medical sector.

AMCAT Modules	Mean score		Difference
	Metro	Non-Metro	
<b>Cognitive and Language skills*</b>			
English Comprehension	537	458	79
Logical Ability	419	368	51
Quantitative Ability	375	356	19
Information Gathering and Synthesis	600	491	109
<b>Situation Judgment skills**</b>			
Sales Competency Test	0.16	-0.26	0.42
Customer Service Situational Judgment Test	-0.17	-0.31	0.14
HR Situational Judgment	0.55	0.48	0.07
Teaching Situational Judgment Test	0.32	-0.33	0.65
<b>Domain skills*</b>			
Marketing	421	379	42
Basic Computer Literacy	542	498	44
Analytical Skills	361	352	9
Financial Accounting	541	467	74
Financial and Banking Services	485	483	2
Bank Teller Aptitude	407	390	17
Accounts Payable	462	400	62
Accounts Receivable	510	424	86
Housekeeping	543	483	60
Culinary Skills	560	480	80
Food and Beverage Services	538	499	39
Front Office Management	452	415	37
Office Administration	558	510	48
Nursing	553	361	192

Table 3: Average AMCAT Score – Metro vs. Non-Metro Colleges

In summary, the study found that employability trends show significant variation with respect to the location of the college. The major gap in skills was observed in Information Gathering and Synthesis followed by English and other domain skills. This clearly shows that the candidates studying in metro cities are more trainable and employable than those studying in non-metro cities.

\* Scores on a scale of 100 to 900

\*\* Z-scores on scale of -4 to 4

# 5

## Skill Comparison

### Philippines vs. India

Philippines and India are two of the fastest growing economies in Asia. Philippines being a former American colony and India being a former British colony have comparable cultural and social diversities. However, there exists a knowledge economy variance. These two countries seek different proficiency and skill level for similar roles. It may not be entirely correct to compare the employability for various sectors in Philippines and India. Though, it will be interesting to compare the language understanding, cognitive skills and domain expertise exhibited by the graduates of these two Asian countries.

The AMCAT mean scores based on analysis are reported in Table 4:

AMCAT Modules	Philippines		India	
	Mean	Standard deviation	Mean	Standard deviation
<b>Cognitive and Language skills*</b>				
English Comprehension	520	122	425	100
Logical Ability	407	93	425	101
Quantitative Ability	372	126	495	115
Information Gathering and Synthesis	577	163	450	75
<b>Functional skills*</b>				
Marketing	413	113	425	101
Basic Computer Literacy	533	116	503	60
Analytical Skills	353	108	413	92
Financial Accounting	481	132	450	100
Financial and Banking Services	484	114	450	100
Bank Teller Aptitude	402	115	425	100
Accounts Payable	404	126	450	100
Accounts Receivable	431	140	450	100
Housekeeping	497	139	474	64
Culinary Skills	550	148	503	70
Food and Beverage Services	531	134	450	100
Front Office Management	445	114	450	100
Office Administration	549	132	503	60
Nursing	540	107	425	100

Table 4: Average AMCAT Scores: Philippines vs. India

\* Scores on a scale of 100 to 900

The skill comparison given in Table 4 shows that there is no clear winner out of Philippines and India which has outscored the other in all AMCAT modules. Therefore, it will make sense to look at the variance on basis of skill categories available.

The results of the skill comparative analysis are:

- Quantitative Ability, Logical Ability, Information Gathering and Synthesis are the modules which assesses a candidate on their cognitive skills, hence, are a high predictor of on-the-job trainability. Maximum score difference of 123-points is observed across information gathering and synthesis with graduates in Philippines performing better than those in India. On comparing quantitative ability, India outscored Philippines by 123 marks. While a minor difference of 18 marks is found for logical ability.
- English, being the common language accepted globally, is an important language for businesses. Most employees require this skill irrespective of the sector in which they work. It is only the degree of importance that varies from one job to another. We find that Philippines demonstrates better English comprehension skills than India.
- On analysing skill variance across sectorial domain expertise, the study shows that-
  - Philippines has scored higher in hospitality with a minimum score difference 23 points in housekeeping, followed by 47 in culinary skills and 81 in food and beverages.
  - For BFSI sector, Philippines has performed better in modules like accounting, Finance and Banking services, while India is better in bank teller aptitude, payable and receivable skills.
  - With emerging demand of analytical understanding, a 60-point score difference, observed in favour of India, indicates lower competence of Philippines in KPO centric job. Computer literacy, Office Administration and Nursing modules are found to have 30, 46 and 115-point less average score in India than Philippines.



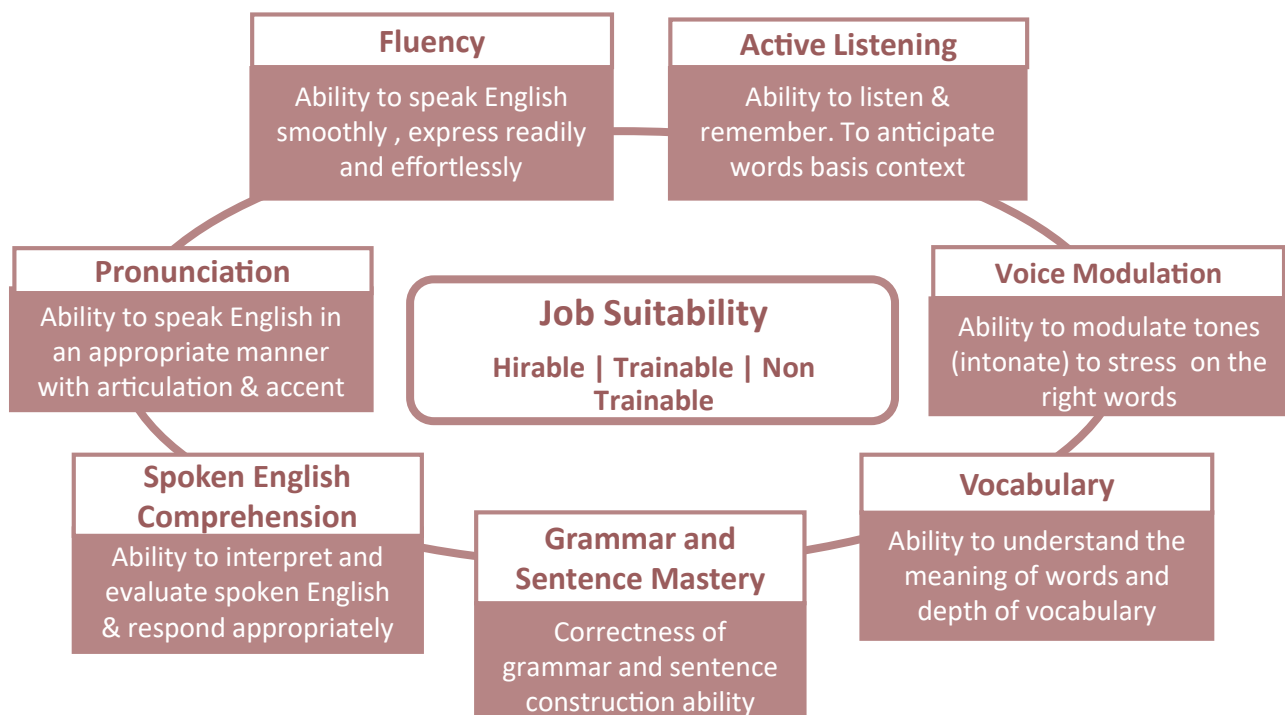
6

# Spoken English Ability

Asia has been a prime location for outsourced jobs over the last two decades. This is because international companies can get services at a cost-effective rate in Asia than any other continent. The only factor contributing to serving international market is the medium of communication and verbal communication is the most important medium for customer service related roles. The spoken English ability, therefore, is quite essential. Since Philippines is one of the major players in the outsourcing industry, it will be prudent to look at the various levels of spoken English skills exhibited in Philippines.

The study is based on SVAR, an automated tool measuring listening and spoken skills used across the world by industries to test spoken English. SVAR is a 20 minute, IVR based test. It uses advanced machine learning technology to automatically grade spoken English. The tool can predict job suitability of a candidate by evaluating his/her spoken English on the following parameters:

- Fluency
- Active Listening
- Vocabulary
- Grammar
- Pronunciation
- Spoken English Understanding



SVAR® follows international standards of reliability and validity and test scores are mapped to CEFR (Common European Framework of Reference for Languages: Learning, Teaching, Assessment).

The Common European Framework of Reference (CEFR) divides learners into three broad divisions that can be divided into six levels; for each level, it describes what a learner is supposed to do in reading, listening and speaking.

Rubric	Definition
C2	Can understand with ease virtually everything heard or read. Can express him/herself spontaneously, very fluently and precisely, differentiating finer shades of meaning even in the most complex situations.
C1	Can understand a wide range of longer demanding texts and recognize implicit meaning. Can produce clear, well-structured, detailed text on complex subjects, showing controlled use of organizational patterns, connectors and cohesive devices.
B2	Can understand the main ideas of complex text on both concrete and abstract topics, including technical discussions in his/her field of specialization. Can interact with a degree of fluency and spontaneity that makes regular interaction with native speakers quite possible without strain for either party.
B1	Can understand the main points of clear standard input on familiar matters regularly encountered in work, leisure, etc. Can describe experiences and events, dreams, hopes & ambitions and briefly give reasons and explanations for opinions and plans.
A2	Can understand sentences and frequently used expressions related to areas of most immediate relevance (e.g. very basic personal and family information). Can describe in simple terms aspects of his/her background, immediate environment and matters in areas of immediate need.
A1	Can understand and use familiar everyday expressions and very basic phrases aimed at the satisfaction of needs of a concrete type. Can interact in a simple way provided the other person talks slowly and clearly and is prepared to help.

Table 5: CEFR Levels

## A. Spoken English Ability by role

SVAR scores map to CEFR: the International standard for measuring Spoken English. It uses sophisticated technology combining crowdsourcing and machine learning to grade. Businesses require their employees to speak/respond spontaneously to topics/queries. Every role in the market requires certain proficiency in spoken English as per the CEFR levels. Highest level C2 is a necessity for Business consulting and corporate sales due to their direct interaction with client/customers on a global level. On the other hand roles such as Customer Support Domestic, Clerks, Administrative roles etc., which expect lower level association are mapped to B1 level. For almost every role in the knowledge economy, it is imperative that one has English proficiency of at least level B1 or above.

Rubric	Roles	Employability*
C2	Business Consulting, Corporate Sales	1.21%
C1	Corporate Servicing, Teaching (English medium)	2.79%
B2	Internal roles- Knowledge Economy (Analyst, Software Engineer, etc.), Agent at International Call Centers	25.90%
B1	Consumer Support Domestic (IT/Otherwise), Clerks, Basic Administrative Roles	51.45%

Table 6: Employability across CEFR Levels

- Only 2.79% graduates have a spoken English proficiency of C1 Level or above. These candidates show capability to understand and speak English fluently with both natives and non-natives with ease.
  - It is required for jobs which have interaction with external customers such as business consulting and those involving sales or servicing corporate customers. It is also needed in the IT industry for interaction with customers. These are some of the best paying jobs in the market.
  - There is a clear need for a much better training in spoken English.
- 25.90% graduates show B2 level or above competence. This level of English is needed for almost all jobs in the knowledge economy with English as a medium for internal communication. For instance, it is necessary for roles in call center, IT, Analytics or Operations. This level of skills is also needed for agents in International call centers.
- The spoken English capability of graduates need substantial improvement. Given the high growth rate in jobs in knowledge sector that require English, there is an urgent need of interventions to improve the spoken English of graduates.

\* These are cumulative employability. Candidates with C2 level proficiency have C1 and below as well

## B. Distribution across Spoken English skill levels

SVAR, Aspiring Minds' flagship assessment tool, determines the spoken English ability to comprehend and speak English as a function of a person's pronunciation, fluency, vocabulary, grammar and ability to understand spoken world. These parameters contribute to the overall English Language Proficiency. This sections examines SVAR scores of graduates in Philippines on these parameters.

	Mean score*
English Language Proficiency	50
Pronunciation	50
Fluency	48
Active Listening	53
Spoken English Understanding	44
Vocabulary	49
Grammar	53

Table 7: Average SVAR scores

To further dig deep, the subsequent tables show the percentage distribution at various competence levels of the spoken English skills.

### Pronunciation:

Definition	Distribution
Displays very good ability to pronounce English words correctly in an accent which is easily understood by speakers of the English language across the globe. He/she she provides the right amount of stress on the syllables and has a correct articulation.	8.90%
Displays good ability to pronounce English words correctly. He/she generally provides appropriate stress on the syllables. He/she shows a good potential to speak in a manner which is easily understood by speakers of the English language across the globe.	8.34%
Displays satisfactory ability to pronounce English words but is likely to be influenced by his/her first language. He/she makes noticeable number of pronunciation mistakes while speaking which may hamper the understandability of the speech by speakers of the English language.	34.59%
Displays poor ability to pronounce English words. The Pronunciation is dominated by the influence of his/her first language. He/she does not have the correct manner of articulation and doesn't seem to lay proper stress on the syllables.	37.93%
Displays very poor ability to speak English words with correct pronunciation. He/she seems to be lacking the skills of saying words while laying adequate stress on all syllables. It is quite difficult for a native speaker to understand what is being said by the candidate.	10.24%

Table 8: Distribution across Pronunciation

\*All scores in SVAR modules are on a scale of 0 to 100

Fluency:

Definition	Distribution
Displays very good ability to speak fluently in English. He/she has a near perfect rhythm while speaking in English, by pausing for appropriate length of time at the right places. His/her speech is effortless, smooth and pleasant to hear.	1.49%
Displays good ability to speak fluently with minor disfluencies such as hesitations, interjections, revisions or repetition of phrases. He/she generally speaks at the right pace by pausing appropriately so that the listener can understand the idea presented without much difficulty.	6.15%
Displays fairly smooth speech . There are a few unnatural pauses which would lead to occasional errors in the sentences being spoken. There are some disfluency such as hesitations, revisions or repetitions affecting the pace of his/her speech.	21.92%
Displays poor ability to speak fluently in English. His/her speech has frequent pauses which results in fragmented speech. The unnecessary pauses interferes with the comprehension of his/her speech.	48.77%
Displays very poor ability to speak fluently in English. His/her speech has major disfluencies such as hesitations, revisions, repetitions and interjections. This makes his/her speech unpleasant to hear and difficult to comprehend.	21.67%

Table 9: Distribution across Fluency

Active Listening:

Definition	Distribution
Displays very good ability to listen, retain and reproduce new information given to him/her. The speech which he/she reproduces has very few errors and hence leads to very little or no loss of meaning.	4.08%
Displays good ability to listen, retain and reproduce new information given to him/her. He/she makes minor mistakes while reproducing the sentences but these errors will not change the meaning of the information to be conveyed.	18.50%
Displays satisfactory ability to listen and retain new information. At times, when he/she misses listening to few words, he/she is unable to exactly anticipate what the speaker has said. As a result, he/she makes mistakes which may change the meaning of the sentence.	50.43%
Displays poor language anticipation skills. He/she is not able to retain all the information given to him/her and reproduce it as is. The candidate's poor language skills and inability to comprehend what the other person is saying interferes with his/her ability to reproduce the information given.	19.38%
Displays very poor ability to listen, retain and reproduce information given to him/her. Despite knowing the context of the speech, the candidate is not able to use this information to anticipate the words which he/she missed listening to.	7.61%

Table 10: Distribution across Active Listening

Spoken English Understanding:

Definition	Distribution
Displays very good ability to comprehend spoken English, understand the tone of the speech and mood of the speaker. He/she is able to logically respond to queries, directions or objections.	4.12%
Displays good ability to comprehend spoken English, understand the tone of the speech and mood of the speaker to a large extent. He/she is able to listen and understand details of a conversation or speech but might miss very specific information. This however won't affect his/her understanding of the whole situation.	13.00%
Displays satisfactory ability to comprehend spoken English only to a certain extent. Largely, he/she is able to understand a conversation/speech; however, at times, he/she may not be able to interpret certain parts of the conversation/speech and hence fails to respond to queries in an appropriate manner.	24.61%
Displays poor ability to comprehend some parts of spoken English. Largely, he/she is able to understand the direction of the conversation/speech; however, he/she may not be able to interpret major parts of the conversation/speech and hence fails to respond to queries in an appropriate manner.	28.22%
Displays very poor ability to comprehend spoken English. The candidate is not able to follow the chain of thought presented to him/her and make inferences or deductions based on it.	30.05%

Table 11: Distribution across Spoken English Understanding

Vocabulary:

Definition	Distribution
Displays very good ability to understand words and phrases used in the English Language. He/she expresses eloquently and uses precise language that express complex ideas clearly.	5.82%
Displays good ability to understand words and phrases used in the English language. He/she usually uses a broad range of vocabulary; however, occasionally he/she commits errors which doesn't affect understanding of the sentence.	16.75%
Displays satisfactory ability to understand words and phrases used in the English Language. He/she has sufficient vocabulary to process routine topics, but lexical limitations become obvious when addressing less routine situations.	28.94%
Displays poor ability to understand words and phrases used in the English Language. He/she has a limited range of vocabulary to process routine topics and shall commit frequent errors which impedes effective communication.	29.26%
Displays very poor ability to understand words and phrases used in the English Language. He/she misuses even basic words and his/her speech show interference from other languages.	19.22%

Table 12: Distribution across Vocabulary

Grammar:

Definition	Distribution
Displays very good ability to use a wide range of sentence structures effectively and accurately. He/she has nearly accurate morphological control over the English Language.	5.53%
Displays good knowledge of syntax and sentence formation. He/she displays good and consistent morphological control over the English Language. He/she makes small errors in sentence construction; however these doesn't lead to miscommunication or interrupt the flow of discourse.	18.96%
Displays satisfactory ability to understand syntax and sentence formation in the English Language. The candidate correctly employ many of the conventions of the standard English grammar, its usage, and mechanics, with a few distracting errors that occasionally impede communication.	33.21%
Displays poor ability to understand syntax and sentence formation in the English Language. He/she shall make frequent errors in sentence formation which disrupts effective communication.	29.27%
Displays a very poor ability of syntax and sentence formation in the English Language. He/she makes pervasive errors in sentence construction and word order which causes confusion and miscommunication.	13.03%

Table 13: Distribution across Grammar

- We observe that the maximum gap is in the fluency of the candidates. Only 7.64% candidates can speak English with a level in fluency, respectively, that renders the speech meaningful in an effortless and smooth manner.
- This is followed by pronunciation and spoken English understanding, where only 17.24% and 17.82% candidates have reasonably good pronunciations and comprehension skills.
- Approximately 22% candidates have reasonably good vocabulary, grammar and active listening skills.
- This indicates that even though candidates pick aspects of the written word in English, they struggle with pronouncing it (speaking without hesitation), take a lot of unnatural pauses and comprehend during a conversation.
- This warrants a greater emphasis to \*speaking\* English than the written aspects of it, which are currently emphasized in colleges and schools.

In summary, we find a large gap in ability of candidates to speak English in real-world situations. This calls for more encouragement to candidates to use English in day-to-day life and communicate in English as much as possible, to improve their proficiency.

  
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