The Global Competitiveness Assessment Tool (GCAT): Setting Competency Standards for Talent Development for the IT-BPM Industry
Information Technology and Business Process Association of the Philippines (IBPAP)

- Founded in 2004
- Non-profit, non-stock
- Enabling organization for the IT-BPM Industry Associations (IAs) and Global In-House Center (GICs)
- Serves as the one-stop information and Advocacy gateway for the industry
Information Technology and Business Process Association of the Philippines (IBPAP)

- Assists investors in setting up operations easily and quickly
- Conducts business research for the industry
- Serves as the gateway for knowledge sharing and networking among members
- Enables PPP for talent development programs
Information Technology and Business Process Association of the Philippines (IBPAP)

Vision:

To make the Philippines the destination of choice for the global business process management
Information Technology and Business Process Association of the Philippines (IBPAP)

Mission:

Promote the competitive advantages and the growth potential of the Philippines in existing and new areas of business process management and support the industry in areas such as offshore marketing, education and training, security and privacy, legislation and public policy, among others.
industry OVERVIEW
number 1 voice
Outsourcing Destination

by the numbers
ranked 2nd Global Outsourcing Destination by the numbers
who we are
what we do
Industry Snapshot

Contact Center

Back-office and KPO: Best-kept secret

Software Development

Animation & Game Development

Engineering Design
In Animation...
impact

jobs

2012 employment
largest private
sector job creator

by the numbers
by the numbers

US$ 13.2 billion

2012 IT/BPM Revenue
economics

5.5%

of Gross Domestic Product

by the numbers
Philippines 2012 Performance

Philippine IT-BPM industry size 2006–2012; US$ billion

YoY Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>FTEs (~’000)</th>
<th>Global share¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>236</td>
<td>5%</td>
</tr>
<tr>
<td>2007</td>
<td>284</td>
<td>6%</td>
</tr>
<tr>
<td>2008</td>
<td>383</td>
<td>6%</td>
</tr>
<tr>
<td>2009</td>
<td>424</td>
<td>7%</td>
</tr>
<tr>
<td>2010</td>
<td>527</td>
<td>8%</td>
</tr>
<tr>
<td>2011</td>
<td>640</td>
<td>9.5%</td>
</tr>
<tr>
<td>2012</td>
<td>777</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

YoY Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>45%</td>
</tr>
<tr>
<td>2008</td>
<td>31%</td>
</tr>
<tr>
<td>2009</td>
<td>34%</td>
</tr>
<tr>
<td>2010</td>
<td>25%</td>
</tr>
<tr>
<td>2011</td>
<td>24%</td>
</tr>
<tr>
<td>2012</td>
<td>19%</td>
</tr>
</tbody>
</table>

CAGR: ~25%

Sources: BPAP, ACPI, CCAP, GDAP, HIMOAP, PSIA

Copyright ©2012: BPAP. All rights reserved.

<table>
<thead>
<tr>
<th>Service</th>
<th>FTEs</th>
<th>Revenue (US$M)</th>
<th>Rev % inc. fr ’11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voice BPO</td>
<td>497,000</td>
<td>8,697</td>
<td>18%</td>
</tr>
<tr>
<td>Non-voice BPO/KPO</td>
<td>154,380</td>
<td>2,470</td>
<td>20%</td>
</tr>
<tr>
<td>ITO</td>
<td>57,078</td>
<td>1,160</td>
<td>17%</td>
</tr>
<tr>
<td>Health Info Mgt &amp; Care</td>
<td>45,000</td>
<td>460</td>
<td>66%</td>
</tr>
<tr>
<td>Engineering Services</td>
<td>10,836</td>
<td>206</td>
<td>20%</td>
</tr>
<tr>
<td>Animation</td>
<td>9,000</td>
<td>132</td>
<td>3%</td>
</tr>
<tr>
<td>Game Development</td>
<td>3,500</td>
<td>50</td>
<td>251%</td>
</tr>
</tbody>
</table>

TOTAL FTEs 776,794 13,174 19%

¹Philippines IT-BPM market as percentage of global offshore services market, in revenue terms
growth
1.3 million direct employment by 2016
by the numbers
US$ 25 billion

2016 IT/BPM Revenue

by the numbers
Philippine IT-BPM: 4.5 million jobs by 2016

Philippines’ IT-BPO and GIC Industry Revenue Targets for 2016

US$ Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Base Case 2016</th>
<th>Accelerated Case 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>3.2</td>
<td>25.0</td>
</tr>
<tr>
<td>2009</td>
<td>7.1</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>8.9</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>11.0</td>
<td></td>
</tr>
<tr>
<td>2012e</td>
<td>13.4</td>
<td></td>
</tr>
</tbody>
</table>

CAGR:
- 2006 to 2011: 29%
- 2011 to 2016: 19%

% of GDP
- 2006: 2.6%
- 2009: 4.2%
- 2010: 4.5%
- 2011: 4.9%
- 2012e: 5.6%
- 2016: 6.2% (Base Case)
- 2016: 7.8% (Accelerated Case)

Direct employment
- 2006: 240K
- 2009: 423K
- 2010: 525K
- 2011: 638K
- 2012e: 772K
- 2016: 900K (Base Case)
- 2016: 1.3M (Accelerated Case)

Indirect employment
- 2006: 600K
- 2009: 1.1M
- 2010: 1.3M
- 2011: 1.6M
- 2012e: 2.0M
- 2016: 2.3M (Base Case)
- 2016: 3.2M (Accelerated Case)
industry challenges
Current IT-BPO Industry supply estimates

Traditional pool of entry-level talent
Annual supply of tertiary graduates

- Total Secondary education pool: ~1.2M
- Total Tertiary education pool: ~562K
  - Won't consider IT-BPO as career: ~112K
  - Drop Out: ~450K
  - Loss to higher education, migration: ~160K
  - Lack of employable skills: ~40K
  - Employable tertiary education pool: ~200K

Alternative pools leveraged:
- Annual supply: ~30-40K
- Effective addressable supply per annum: ~80-100K

Career switchers (nurses, retail) and high school (Grade 10):
- Annual supply: ~50-60K

Current IT-BPO Industry supply estimates:
- Employment rate: 87%-88%
- Unemployment rate: 11%-13%
Annual Demand and Supply projections of entry-level industry talent – PH IT-BPO ‘000 FTEs

2016 talent requirements may have reversed the current demand-supply situation

Widening gap will accelerate cost and quality pressures

Total talent demand (Accelerated Case)

Effective addressable supply (Base Case)

80-100K @ 2.5% growth rate
Applicants responding to Advertisement online

Walk-in applicants

School/campus fairs

Job fairs

Applicants responding to Advertisement in newspapers

Paper Screening

Initial Interview

Testing

Final Interview

Job Offer

100 Applicants

7-10 Hires*
raise the standards
industry
talent development
initiatives
Talent Development Programs

ITWSP

BPAVP
Global Competitiveness Assessment Tool

BEST
Basic English Skills Training

AdEPT
Advanced English Pre-Employment Training

JOSS
Education and Skills Development Authority

SMP
Service Management Program
Key Programs to Raise Standards

Global Competitiveness Assessment Tool (GCAT)

An industry developed test to assess competencies in basic skills for employment in the IT-BPO and GIC and other service industries.
Key Programs to Raise Standards

Service Management Specialization Track (in Undergraduate Education)

A 21-unit minor course or specialization track taken by business and IT majors in college intending to go into IT-BPO and GIC or other service industries.
Global Competitiveness Assessment Tool (GCAT)
What is GCAT?

- Industry-initiated assessment program
- Proactively generates industry-ready talents for the Philippine IT-BPO industry
- Standardizes the competency assessment system for applicants in the IT-BPO sector
Assessment:
Pre – Employment and ..... Collegiate Exit
Competencies Assessed by GCAT

Basic Skills

• Learning Ability (Verbal and Numerical)
• English Proficiency
• Perceptual Speed and Accuracy
• Computer Literacy

Behavioral

• Service Orientation
GCAT
Industry Results

Approximately 2,500 employees from about 25 IT-BPM Companies assessed from 2010-2011
Participating Companies

IBPAP

- Accenture (CCAP)
- Access Worldwide (CCAP)
- ANZ
- Aegis PeopleSupport (Baguio) (CCAP)
- Baker & McKenzie Global Services
- Chartis
- Hinduja (CCAP)
- HSBC
- Infinit-O
- Ingram Micro

- Integra
- Intelenet
- NYK TDG
- Open Access Marketing
- Pettigrew
- Sitel (CCAP)
- Stream (CCAP)
- Sutherland (Camsur) (CCAP)
- Teleperformance (CCAP)
- WNS (CCAP)
Participating Companies

CCAP

- Pacific Hub
- Visaya KPO
- Concentrix

HIMOAP

- Total Transcription Solutions Inc.
- mX Secure
- SPi Global
- ZipIt Solutions

PSIA

- Pointwest Technologies
- Headstrong
- HP
- RCG IT

No. of employees assessed – 2,500
Industry Results: Scores between Percentile Scores of High and Marginal Performers

<table>
<thead>
<tr>
<th>Competency</th>
<th>High Performers</th>
<th>Marginal Performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Basic Skills</td>
<td>67</td>
<td>52</td>
</tr>
<tr>
<td>Learning Ability</td>
<td>61</td>
<td>52</td>
</tr>
<tr>
<td>English Proficiency</td>
<td>66</td>
<td>54</td>
</tr>
<tr>
<td>Computer Literacy</td>
<td>66</td>
<td>51</td>
</tr>
<tr>
<td>Perceptual Speed and Accuracy</td>
<td>58</td>
<td>50</td>
</tr>
</tbody>
</table>
Industry Results: Scores between Percentile Scores of High and Marginal Performers

<table>
<thead>
<tr>
<th>Competency</th>
<th>High Performers</th>
<th>Marginal Performers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Overall</td>
<td>60</td>
<td>46</td>
</tr>
<tr>
<td>Communication</td>
<td>62</td>
<td>49</td>
</tr>
<tr>
<td>Learning Orientation</td>
<td>62</td>
<td>50</td>
</tr>
<tr>
<td>Courtesy</td>
<td>54</td>
<td>44</td>
</tr>
<tr>
<td>Empathy</td>
<td>56</td>
<td>46</td>
</tr>
<tr>
<td>Reliability</td>
<td>62</td>
<td>49</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>59</td>
<td>46</td>
</tr>
</tbody>
</table>

![Graph showing industry results for competencies]
GCAT
Academe Results

Close to 20,000 graduating students from about 90 schools and universities nationwide assessed from 2010-2013
Colleges and Universities Participated (NCR)

- Centro Escolar University – Makati
- Centro Escolar University – Manila
- De La Salle – College of St. Benilde
- Emilio Aguinaldo College – Manila
- FEU Diliman
- FEU Morayta
- Jose Rizal University
- Lyceum Manila
- St. Paul University

- Mapua Intramuros
- Mapua Makati
- National Teachers’ College
- STI (Caloocan, Fairview, Pasay,)
- University of Makati
- University of Sto. Tomas
- Miriam College
- St. Scholastica’s College
- Our Lady of Fatima Univ.
Colleges and Universities Participated (Luzon)

BAGUIO
- AMA
- Saint Louis University
- University of Cordilleras
- STI – Baguio

LAGUNA/CAVITE/ BATANGAS
- De La Salle University – Dasmarinas
- Emilio Aguinaldo College – Cavite
- Lyceum Laguna
- St. Michael’s College of Laguna
- STI (Calamba, San Pablo, Tagaytay)

BULACAN
- Centro Escolar University – Malolos
- STI (Balagtas, Baliuag)

PAMPANGA
- Angeles University Foundation
Colleges and Universities Participated (Luzon)

**NUEVA ECIJA**
- Wesleyan University
- Araullo Phinma University
- CIC
- CRT
- NEUST
- Central Luzon State University

**ALBAY**
- AMA Legazpi Campus
- Bicol University
- Divine Word of Legazpi
- Polytechnic University of Tabaco, Albay
- STI Legazpi
- Southern Luzon Technologica College

**BATANGAS**
- FAITH

**CAMARINES NORTE**
- Our Lady of Lourdes, Daet
Colleges and Universities Participated (Visayas)

- Cebu Doctors’ University
- STI – Mandaue
- ABE
- Bacolod City College
- Bago City College
- Binalbagan Catholic College
- Carlos Hilado Memorial College
- Colegio de San Agustin
- Colegio de Sta. Rita
- La Consolacion College
- STI

- University of Negros Occidental
- University of St. La Salle
- Visayan Maritime Academy Global One
- Western Visayas Institute of Technicians
- West Negros University
Colleges and Universities Participated (Mindanao)

Zamboanga City
AMA Computer College
Ateneo de Zamboanga
Pilar College
Southern City Colleges
Universal College of Southeast Asia Pacific
University of Zamboanga
Western Mindanao State University
Zamboanga City State Polytechnic College

Cagayan de Oro:
Ateneo - CDO
Average Scores – Basic Skills Overall Score

Average Scores Per School for Basic Skill Overall Score

Average School Performance - BASIC SKILLS OVERALL SCORE

Low performers (0-30th Percentile)
Average performers (31st-70th Percentile)
High performers (71st-100th Percentile)
Average Scores – Behavioral Skills Overall Score

Average Scores Per School for Service Orientation Overall Score

Average School Performance - BEHAVIORAL SKILLS OVERALL SCORE

- low performers (0-30th Percentile)
- average performers (31st-70th Percentile)
- high performers (71st-100th Percentile)
Industry Response to Assessment

Service Management Specialization Track (in Undergraduate Education)

Approved by CHED under CMO Nos. 6 and 34 series of 2012
How does Service Management address the competencies identified in GCAT?

**Technical**
- IT Business

**Behavioral**
- Business Communication
- Internship

**Domain**

**Process**
- Fundamentals of IT-BPO 101
- Fundamentals of IT-BPO 102
- Service Culture
- Systems Thinking
Committee members include:

- Core industry representatives from IBM, Accenture, HP, Stream Global, Philippine Software Industry Association (PSIA), Health Information Management Outsourcing Association of the Philippines (HIMOAP)
- Asia Pacific College, Jose Rizal University, Our Lady of Fatima and member schools of Phil. Assoc. of Collegiate Schools of Business
- Other industry and academe representatives
Service Management Specialization Track under CMO No. 6 and 34, Series of 2012

BPAP Specialization Track
• Business Communications for the Global Workspace
• Service Culture
• Principles of Systems Thinking
• Fundamentals of IT-Business Processes of Outsourcing 101
• Fundamentals of IT-Business Processes of Outsourcing 102
• OJT/ Internship Program 600 hours

• 21 units (including OJT)
• Approved for Business and IT courses
How do these subjects address the competencies in GCAT?

<table>
<thead>
<tr>
<th></th>
<th>Internship</th>
<th>Business Comm</th>
<th>Fundamentals of IT-BPO 101</th>
<th>Fundamentals of IT-BPO 102</th>
<th>Service Culture</th>
<th>Systems thinking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Ability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>English proficiency</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Perceptual speed and accuracy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer literacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>Service orientation</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION

CHED MEMORANDUM ORDER (CMO)
No. 06
Series 2012

SUBJECT: ADDENDUM TO CMO NO. 39, S. 2006 ENTITLED, POLICIES STANDARDS AND GUIDELINES FOR BACHELOR OF SCIENCE IN BUSINESS ADMINISTRATION (BSBA) PRESCRIBING ADDITIONAL ELECTIVES ON SERVICE MANAGEMENT FOR BUSINESS PROCESS OUTSOURCING
And for IT...
Addressing the Talent Demand-Supply Gap (2012-2016)
Thank you!

Penny S. Bongato, FPM
Executive Director, IBPAP