

JOB DISPLACEMENT MONITORING SYSTEM (JDMS)



Manual of Instructions



Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Bureau of Labor and Employment Statistics

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I. INTRODUCTION

One of the important sources of labor market statistics in the country is the Department of Labor and Employment (DOLE) Job Displacement Monitoring System (JDMS). The JDMS complements the unemployment data derived from the Labor Force Survey of the National Statistics Office (NSO) which together provide DOLE officials and policy makers in the government and business sectors timely labor market information critical in monitoring the country's employment situation particularly in times of economic slowdown.

Since its inception in 1990, the JDMS has been useful in monitoring the labor response to economic crisis and other important developments of firms or establishments that represent the modern production sector of the economy. It has been used extensively by the business sector in planning and decision making and by government agencies as basis in providing assistance to distressed industries and their workers displaced by the economic crisis (e.g. Mt. Pinatubo eruption in 1991, 1993 and 1994 Mindanao power and Luzon power crises and Asian financial crises in 1997).

This monitoring scheme is a systematic filing, compiling and processing of notices of shutdown/retrenchment submitted by employers or establishments to the DOLE Regional Offices. The submission of termination notices to DOLE has its legal basis in Article 283 of the Philippine Labor Code which provides that Termination of employment due to closure of establishment and reduction of workforce by employers should be made by serving a written notice to workers and the Department of Labor and Employment at least one (1) month before the intended date thereof." This provision applies to all employers of establishment or undertakings, whether for profit or non-profit, including establishments resorting to work rotation or reduced working time.

Objective of JDMS

To ensure the generation of timely, accurate and accessible data on establishment closures and displacement of workers. Specifically, the JDMS aims to:

- Provide timely signals to policy makers on the extent and causes of establishment closures and job displacements in the country; and
- Establish and maintain databases that will generate the lists of distressed establishments and displaced workers at DOLE Regional Offices.

The Computerized JDMS

In order to manage the growing volume of termination notices submitted to the DOLE ROs over the years, the BLES in 1997 developed a computerized data processing program for the JDMS. At the level of DOLE ROs, the computerized system was developed in Microsoft Excel environment for the encoding and processing of termination reports and generation of Monthly Summary Report including the List of Establishments for submission to the BLES. At the BLES, the JDMS was developed in SPSS for data processing and consolidation of regional reports and generation of statistical tables at national level.

The JDMS is made up of two (2) sub-programs, namely:

- (1). Establishment Database - generates the list of establishments reporting closures/retrenchment. This list is submitted to the BLES on a monthly basis by DOLE ROs for preparation of national Monthly Report.
- (2) Database on Displaced Workers - generates the list of displaced workers. This list remained in the DOLE ROs as basis for providing assistance to displaced workers in support of the QRT monitoring of the region.

II. GENERAL GUIDELINES

1. Read the guidelines and definition of terms carefully in this manual.
2. All establishments submitting termination report to DOLE Regional Offices shall accomplish the new prescribed reporting form as shown in Annex I (RKS Form 5: Establishment Termination Report). Establishments not submitting reports in the required format shall be notified by the Regional Statisticians or designated staff to accomplish the new reporting form.
3. The Regional Statistician/Focal Person shall always exert efforts in ensuring the completeness and accuracy of information in the monitoring forms and reports. A check for completeness and accuracy of data should always be made before accepting the report from the establishment.

Specific attentions should be given to the following indicators, which are often not reported or erroneously reported:

- a. **Total employment of the establishment** – include all workers in the establishment whether terminated or not. Should be equal or greater than the total number of workers laid off.
 - b. **Principal product or main activity (PSIC CODE)** – specify in some details the main product produced or service provided by the establishment, e.g., manufacturing of semi-conductors, garments, commercial bank, industrial process and control equipment, fabrication of metal products, banking, restaurants.
 - c. **Reason for Shutdown/Retrenchment of Workers** – the code as prescribed in the form should be used. If reason is not included in the prescribed code, a brief but clear explanation should be provided. Abbreviations should not be used. It should be noted that reporting of retrenchment to BLES should include only those due to economic reasons
4. The databases in the Excel format prescribed by the BLES of the RKS Form 5 2010 should be maintained both in the DOLE Field Offices and Regional Offices by the designated Focal Persons.
 5. In compliance to Memorandum dated February 2010, the Regional Focal Person shall e-mail (bles_emsd@dole.gov.ph) or fax (Fax No. 527-93-24 or 527-55-06) to BLES the electronic copies or databases of RKS-JDMS FORM 1 2010 using the Excel data format prescribed by the BLES not later than 15 days after the reference month.

III. DEFINITION OF TERMS

1. **Terminations** - displacement of workers due to establishment shutdowns/closures or retrenchments due to economic reasons.

Under Book Six Articles 279, 282 and 283 of the Philippine Labor Code, termination of employment in cases of regular employment is allowed only on the following cases:

Art. 282. Termination by employee. - an employer may terminate an employment for any of the following causes:

- (a) Serious misconduct or willful disobedience by the employee of the lawful orders of his employer or representative in connection with his work;
- (b) Gross and habitual neglect by the employee of his duties;
- (c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;
- (d) Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly authorized representative; and
- (e) Other causes analogous to the foregoing.

Art. 283. Closure of establishment and reduction of personnel - the employer may also terminate the employment of any employee due to the following reasons:

- Installation of labor saving devices
- Redundancy
- Retrenchment to prevent losses
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Note: FOR THE PURPOSE OF JDMS, REPORTING OF TERMINATIONS BY DOLE ROs INCLUDE ONLY TERMINATIONS DUE TO ECONOMIC REASONS (AS CITED IN ARTICLE 283) AND EXCLUDES NON-ECONOMIC REASONS (AS CITED IN ARTICLE 282).

2. **Sources of Terminations**

- a. **Closure of Establishment** - stoppage of work which is either total or partial shutdown of a plant/unit/operation because of economic reasons such as the 2008/2009 global financial crisis.
- b. **Retrenchment** - reduction of workforce in an establishment other than due to closure of establishment due to economic crisis.

3. **Permanent termination or Displacement** - complete and total separation of workers from the establishment due to economic reasons.

4. Economic reasons for closures/shutdowns and retrenchments

1. Increase in minimum wage rate
2. Competition from imported products
3. Uncompetitive price of product
4. Redundancy
5. Change in management/merger
6. Company reorganization/downsizing
7. Lack of market/slump in demand
8. Lack of raw materials
9. Lack of capital
10. High cost of production
11. Peso devaluation
12. Economic crisis
13. Financial losses
14. Others, specify

5. Standard Codes

- a. **GEOCODE as of June 30, 2011 Philippine Standard Geographic Code** – a system of classification of regions, provinces, municipalities and barangays.
- b. **PSIC 2009 Philippine Standard Industrial Classification** – a system of statistical classification of all economic activities.
- c. **PSOC 1992 Philippine Standard Occupational Classification** – a system of classification of occupations.

IV. DUTIES AND RESPONSIBILITIES OF RO FOCAL PERSONS

The Regional Director shall designate an RO focal person who shall be responsible for coordinating the accomplishment and consolidation of reporting forms; encoding and maintenance of databases; and submission of reports/databases to the Bureau of Labor and Employment Statistics (BLES).

Duties and Responsibilities of the FO Focal Persons

1. Review the accuracy and completeness of all RKS Form 5 2010 submitted by the establishments and/or those accomplished during the Assistance Visit of the QRT.
2. Ensure the accurate and timely encoding of data contained in RKS Forms 5 2010 including the list of workers using the prescribed Excel data format by the BLES.
3. Ensure the proper maintenance of the RKS Form 5 2010 in the RO and at the DOLE Field Office.
4. On a monthly basis, the RO focal person shall e-mail to the BLES (dolebles@yahoo.com) the electronic copies or databases of the consolidated regional RKS Form 5 2010. The submission should be made not later than 15 days after the reference month.

V. SPECIFIC GUIDELINES

GUIDELINES ON THE ACCOMPLISHMENT OF RKS Form 5 2010 (ESTABLISHMENT EMPLOYMENT REPORT)

Instructions:

1. This form should be accomplished in two copies. The report is considered as **duly filed** only when the complete list of workers affected is made part of the submission.
2. Page 1 should contain general information about the establishment and the number of workers affected.
3. Page 2 should enumerate the names of workers affected, their addresses and contact numbers and type of displacement/flexible work arrangements. Total number of workers listed should equal the total number of workers affected as reported in page 1.

INDICATOR	GUIDELINES
Establishment Termination Report	Information should refer to the establishment which has cases of terminated workers due to shutdown/closures or retrenchments.
A. Establishment Data	Complete the name of establishment (including acronym, if any) filing the notice of termination. Follow the rules in writing the name of establishment.
Address	<p>Complete the address where establishment is located, i.e. room/suite numbers; floor number/building; street number; street name; subdivision; barangay; city/municipality; ZIP code and province.</p> <p>Follow the rules in writing the addresses of establishments.</p>
GEOCODE	Indicate the 6-digit code corresponding to the address of the establishment, i.e. 1 st & 2 nd digits – Region; 3 rd & 4 th digits – Province; 5 th & 6 th digits – Municipality.
Main Economic Activity/Specific product/goods/services	Main activity or service provided by the establishment should be written in a more detailed description, e.g., soft drinks manufacturing, commercial bank, etc.

PSIC CODE	<p>Indicate the 6-digit industry code corresponding to the main activity of the establishment.</p> <p>1ST digit – Major division 2nd & 3rd digit – Division 4th digit - Group 5th digit - Class 6th digit - Subclass E.g. Softdrinks manufacturing - C11041 D - Manufacturing D11 - Mfg. of food products and beverages D110 - Mfg. of beverages D1104 - Mfg. of softdrinks; bottling of mineral water D11041 - Mfg. of softdrinks</p>
Total Employment	This should refer to the total number of workers in the establishment regardless of employment status.
No. of female workers	Refers to number of female workers in the establishment.
Date of Filing of RKS FORM 5 2010 (mm/dd/yyyy)	Date of filing.
B. Permanently Termination Workers Due to Closure/Retrenchment	This portion should contain information on the workers terminated due to permanent closure/retrenchment of plant/unit/operation of establishment due to economic reasons.
Number of Workers Affected	<p>This should contain the corresponding total number of workers terminated by type of shutdown/closure.</p> <p>The column sum of the number of workers affected should not exceed the total employment.</p>
Effectivity Date (mm/dd/yy)	<p>This should refer to the corresponding month, day and year of effectivity or starting date of termination.</p> <p>For each date of effectivity, make sure that the corresponding workers terminated are indicated.</p>
Main Reason for	This should refer to primary reason for resorting to closure/retrenchment

Closure/Retrenchment of Workers (Use code select only one)	
List of Permanently Terminated Workers due to Closure/Retrenchment	<p>This should include all the workers reported in Items 1 and 2, page 1 of the RKS Form 5.</p> <p>Thus, the total number of workers in this list is equal to the sum of the reported total number of workers affected in Items 1 and 2, page I of the RKS Form 5.</p>
Names of Workers Terminated	Complete name of terminated workers, if possible.
Address	Complete contact address of terminated workers, i.e., street number; street name; subdivision; barangay, city/municipality and province.
Contact Numbers	Indicate contact number of workers
Position Title	Occupation title of worker.
Salary	Should be expressed in monthly salary.