

## **TECHNICAL NOTE**

### **Revision To Time Series On The Rate Of Re-Entry Into Employment**

#### **Background**

1 Each quarter, the Manpower Research and Statistics Department of the Ministry of Manpower publishes the rate of re-entry into employment for resident workers who were made redundant. The number of workers made redundant is collected through quarterly Labour Market Surveys on private sector establishments (each with at least 25 employees) and the public sector. For resident workers made redundant, their re-entry status is subsequently tracked using Central Provident Fund administrative records. To take into account differences in the cohort size from quarter to quarter, the statistic is expressed as a proportion of the number of resident workers made redundant in a specific quarter.

2 The current statistic measures the employment prospects of the cohort of resident workers made redundant in a specified quarter by the end of the next quarter. Therefore, these workers are not given equal time in their job search. For instance, a worker who is made redundant in the earlier months of quarter  $t$  would have a longer duration of job search by end of quarter  $t+1$ , compared to another worker who is made redundant in the later part of quarter  $t$ . The job search duration could range between 3 to 6 months. As the length of job search for each worker is also variable under the current method, there would be instances of volatility in the time series. The rate using the current method would also be lower as it would be brought down by workers who were more recently made redundant.

#### **Revision To The Rate Of Re-Entry Into Employment**

3 To standardise the duration of job search, a fixed duration of 6 months post-redundancy will be applied to all resident workers who were made redundant in a specific quarter. The upper limit of 6 months is used in order to take into account the relatively longer job search duration of PMETs, who now form the majority of residents made redundant.<sup>1</sup>

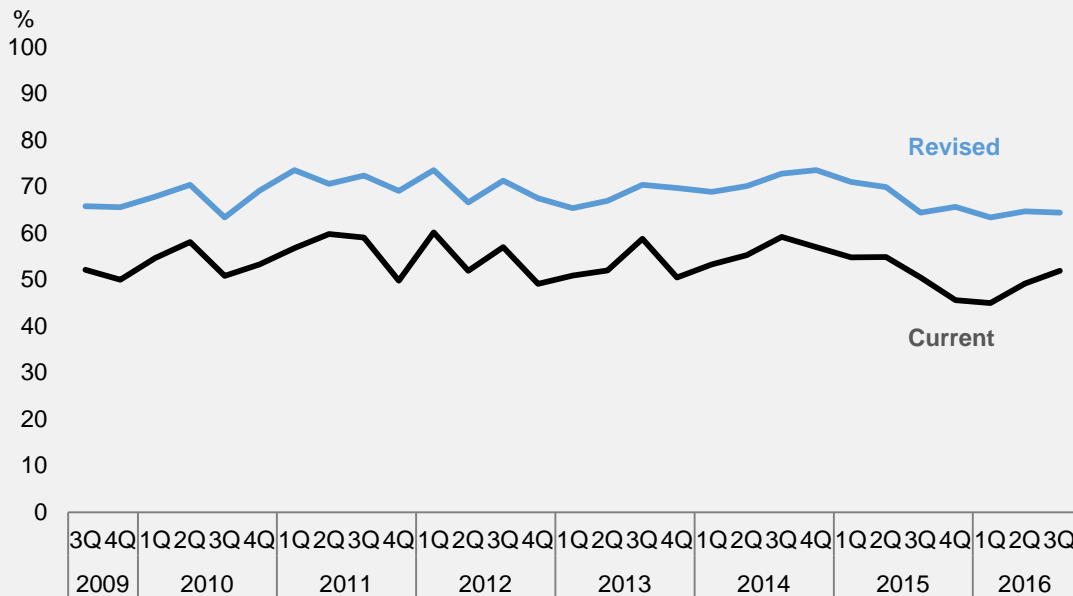
#### **Revised Data Time Series**

4 The standardisation of the job search duration to 6 months will result in a one-off upward revision to the rate of re-entry into employment. As the current method of compilation measures the rate of re-entry into employment *as at the end of a quarter* for residents made redundant in the *previous quarter*, the duration for re-entry can range from 3 to 6 months of redundancy. The presence of a shorter duration of job search for some workers will result in a lower rate of re-entry into employment, compared to revised re-entry rates based on a fixed 6-month period after redundancy.

<sup>1</sup> In 2016, PMETs formed 72% of residents made redundant, compared to 39% in 2006.

5 However, both the current and revised data series exhibit similar trends. Older residents, those laid off from PMET jobs and the tertiary educated had lower re-entry rates (Chart 1).

Chart 1: Comparison of Rate of Re-entry into Employment Overall

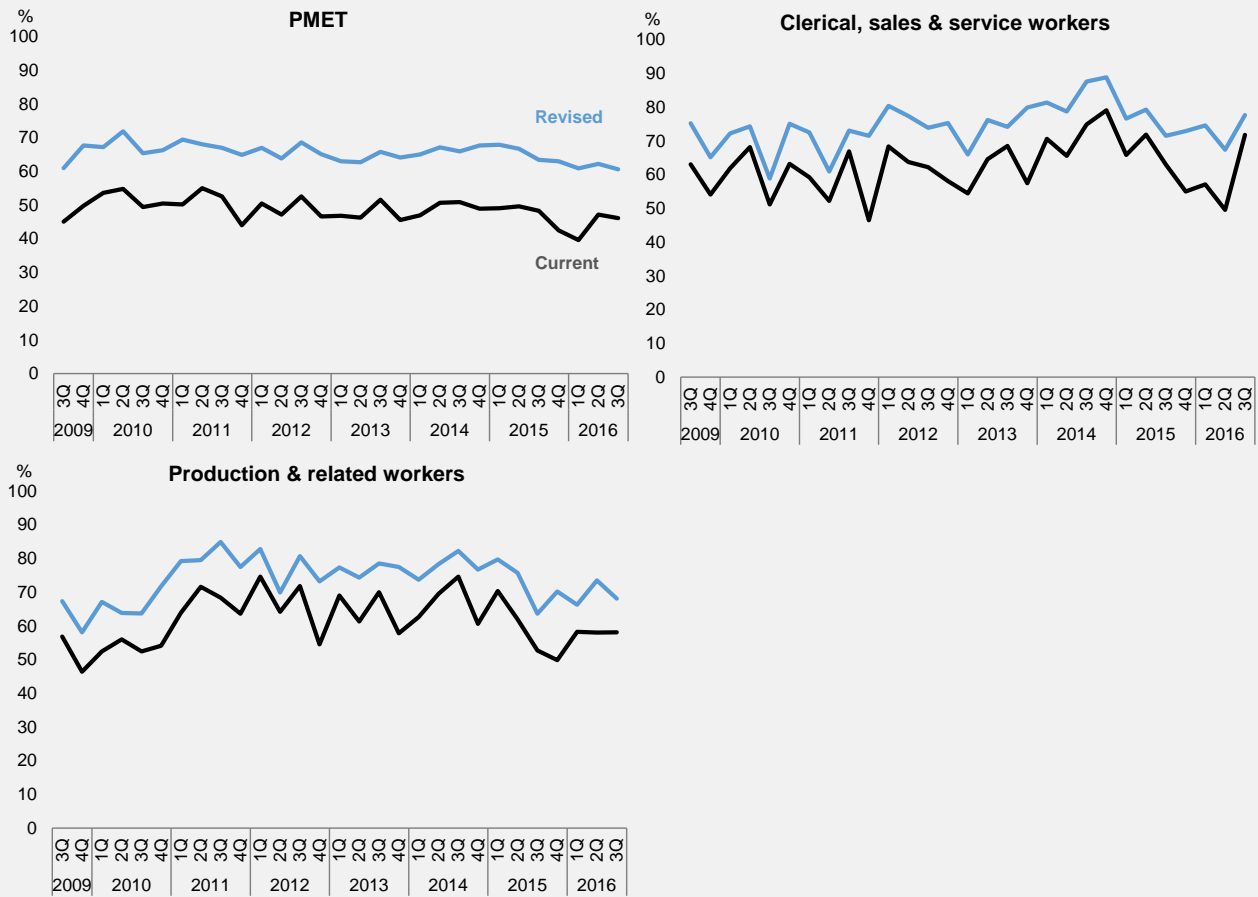


Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

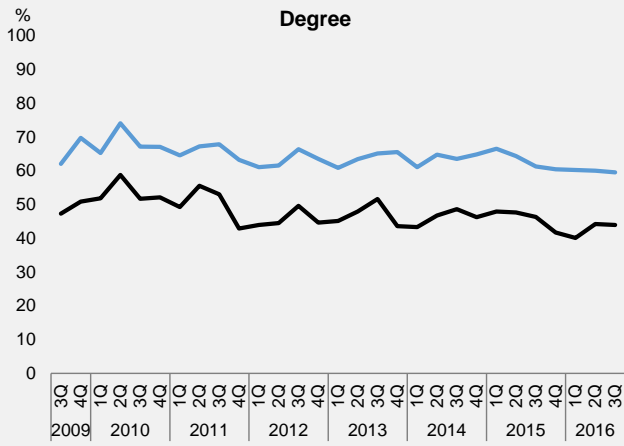
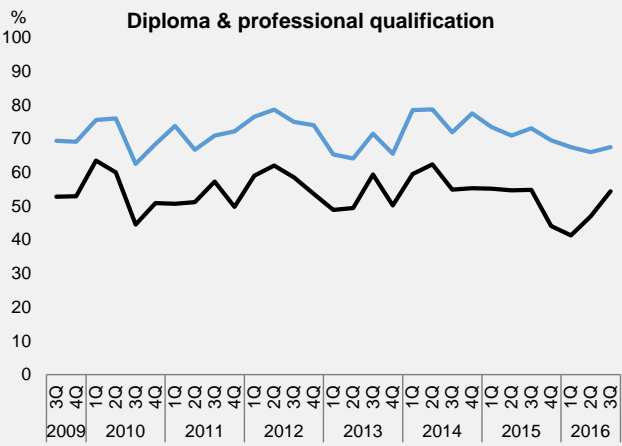
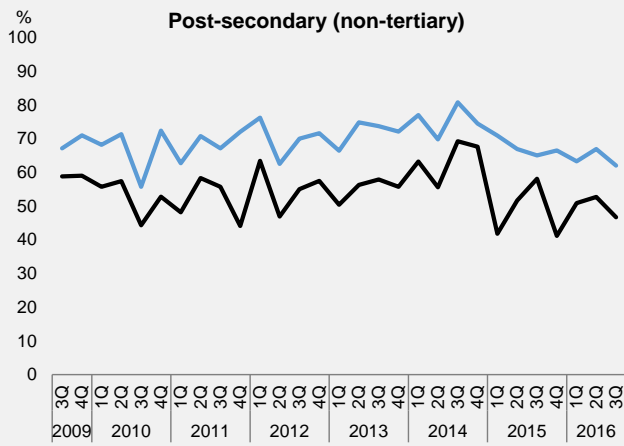
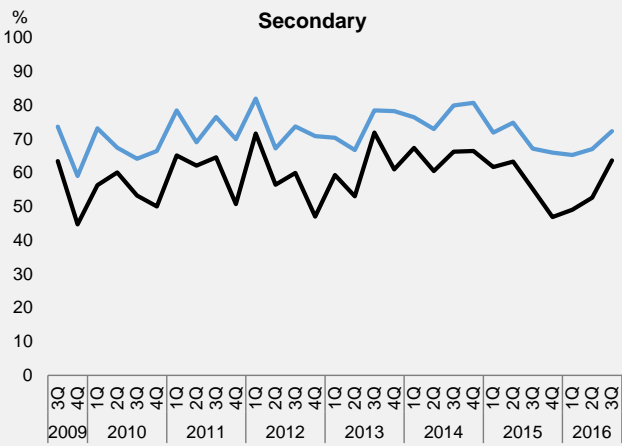
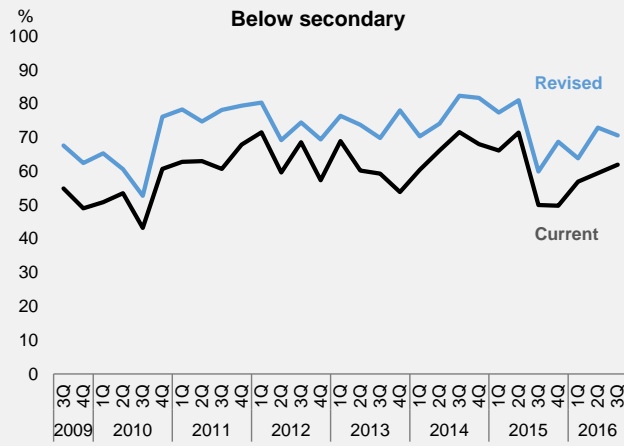
Note: To allow comparison between the current and revised series, the re-entry rates in the charts make reference to the period of redundancy for the quarterly cohorts.

6 The revision in re-entry rate had a smaller impact on the non-tertiary educated and non-PMETs who typically re-enter employment faster. This also led to older residents aged 50 & over seeing a smaller increase in the re-entry rates. On the other hand, the tertiary-educated and PMETs (mainly those in their 30s and 40s) saw a larger adjustment in re-entry rates as these groups typically require more time after redundancy to re-enter employment.

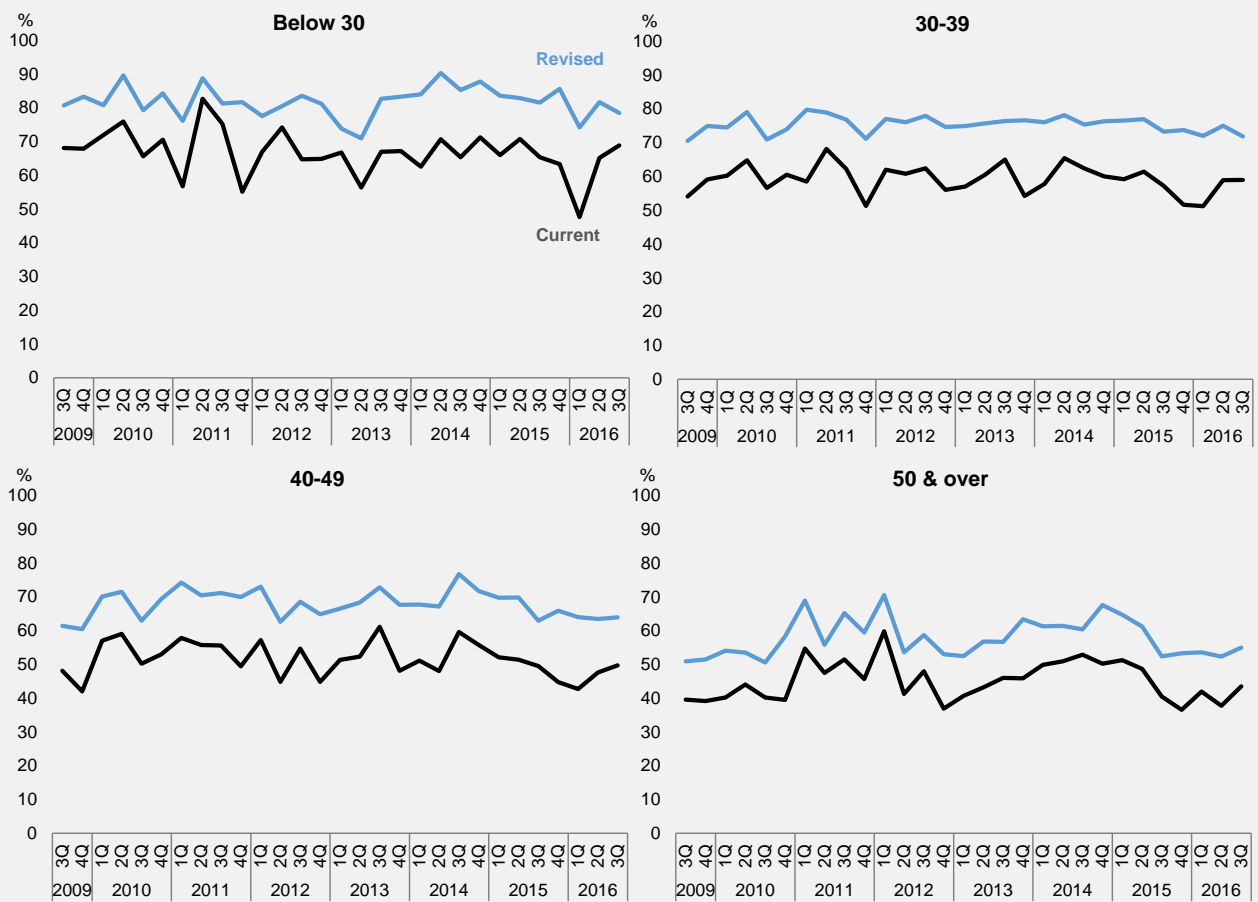
Chart 2: Comparison of Rate of Re-entry into Employment  
By Occupation



**By Education**



**By Age**



Source: Labour Market Survey, Manpower Research & Statistics Department, MOM and derived based on data from Central Provident Fund Board

**Note:**

To allow comparison between the current and revised series, the re-entry rates in the charts make reference to the period of redundancy for the quarterly cohorts.