

UNEMPLOYMENT AMONG GRADUATES IN MALAYSIA

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Abstract

The era of globalization has made labour market has become more dynamic with rapid changes in technology and the diverse needs of the employer. This situation led to a range of issues in the labour market with the level of economic performance that simple romantic new jobs were slow out of alignment with the surplus of graduates in the job market. This situation creates competition among graduates, employed at-will employer or not in accordance with the level of education in the end it leads to the problem of unemployment. This article discusses the issues of unemployment among graduates and how to overcome them. Individual factors less communication skills, soft skills and experience working and rather choose employment to issues of unemployment among graduates in Malaysia. The question here is, how to maintain the level of unemployment and achieve full employment target a developed economy.

Keywords: Graduate unemployment, economic target, soft skill, communication skill, industry training, globalization

INTRODUCTION

Now days all developing countries face the issue of unemployment among graduates sustainable economic. Growth of a country can be found if unemployment is low. Conversely, a country with a high unemployment rate, the use of human resources do not fully utilize .For every 1% increase in the unemployment rate to fall significantly over the potential GDP of 2%.The unemployment is interrelated economic development that should be addressed in the labour market.

The unemployed can happen for short or long term. Natural processes that someone graduates move from one job to another or movement from school to the job market is only valid unemployment in the short term. Meanwhile, new graduates entered the workforce and are not gainfully employed by a number of reasons is long-term unemployment. The unemployment rate measures the percentage of a country's workforce who are seeking employment (number of persons unemployed / total labour force X 100%).

The economies of a developing country like Malaysia are directly connected with the rate of unemployment. Our country is experiencing a financial crisis in 1997 has recorded a high unemployment rate of 2.5% and it can be controlled. The unemployment trend continued from 1997 to 2010 so that Malaysia recovered from the financial crisis and the unemployment rate was successfully maintained at less than 4%. Next, the unemployment rate increased in 2013 in which August recorded a 3.1% month even months before the event is only recorded 3.0% July and compared to the same month in 2012 August is recorded only 2.7 (The Star on 23rd Oct 2013).

The current unemployment rate in the country increased slightly to 3.1 per cent in January 2015 compared to three percent in the previous month. Department of Statistics said in a statement on 'Labour Statistics, Malaysia' issued March 25, 2015 states, the unemployment rate during the month recorded a lower value compared to January 2014 by 3.3 percent. The department said the labour participation rate fell to 67.2 per cent was found in January compared to 67.9 percent in the previous month. While for the year-on-year comparison shows that the labour participation rate fell to 67.8 percent in January 2014 as shown in Figure 1 (next page).

As compared to other developing country, Malaysia can be said to achieve full employment with unemployment rate of 3.1 % in August 2013 by Department of Statistics. According to Deputy Human Resource Minister, Datuk Ismail Abd Mutalib told the Dewan Negara, Malaysia achieved full employment by having unemployment rate less than 4 % based on International Labour Organization Standards.

However, unemployment among graduates remains unsolved, where 65,500 graduates were recorded unemployed which is 16.7 % of the total unemployed labour in 2010 based on Department of Statistics, Malaysia. Moreover, the graph of number of unemployed graduates by highest certificate obtained in Malaysia shows slightly increased compared from the year 1998 to the year 2010. Even though, the rate of unemployment in Malaysia decreased throughout the year, the number of unemployed graduate in Malaysia increased (Department of Statistics, Malaysia, 2011).

A person who is a graduate candidates sought by the organization are graduates with various skills and knowledge such as communication, soft skills, problem solve skills and technical skills. The issue of unemployment among graduates in Malaysia need to be addressed for the good of the economy together.

Figure 1. Labour Market in Malaysia, Jan 2015

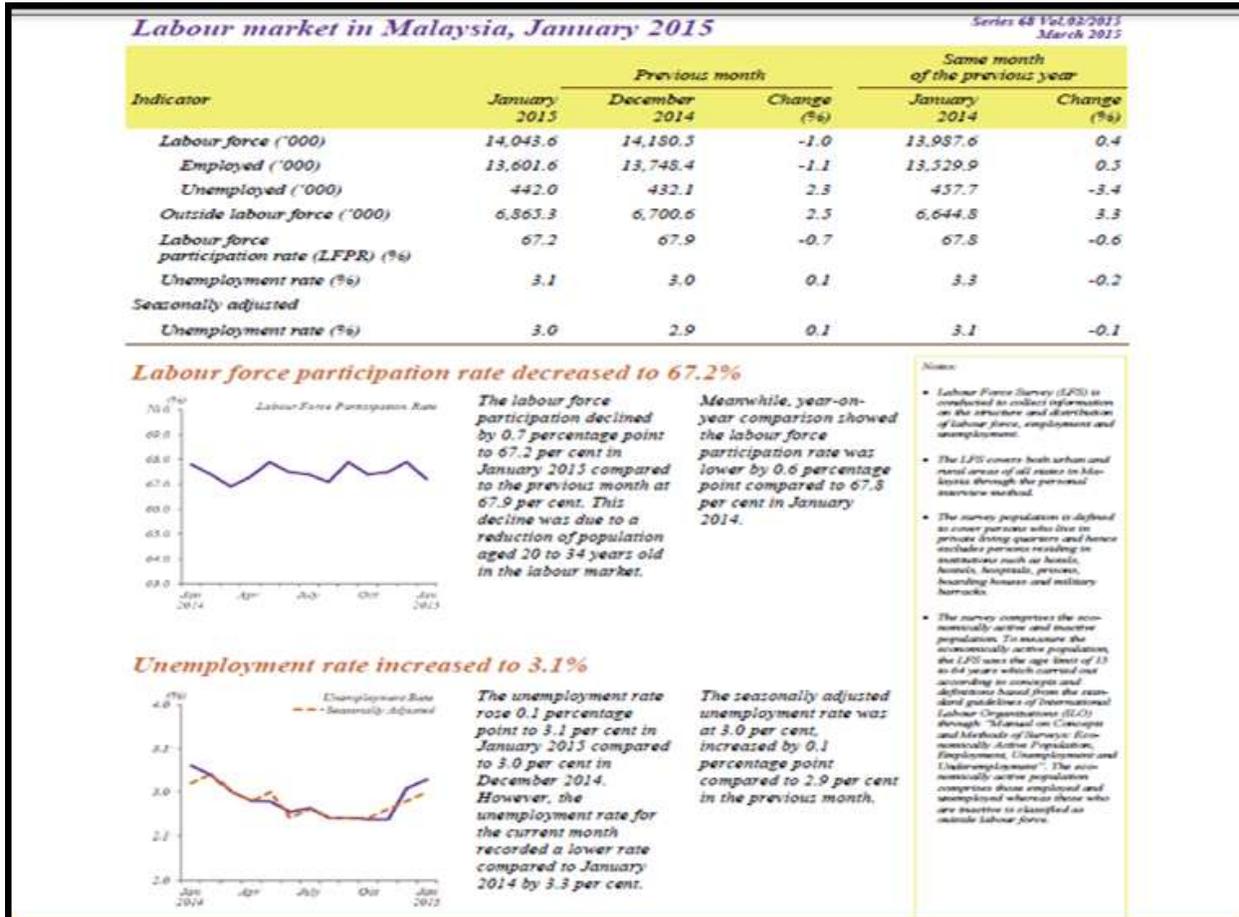


Figure 2: Top reasons for unemployment among Graduates in Malaysia

	Employers' Opinion*	Fresh Graduates' Opinion**
1	Asking for unrealistic salary/benefits (64%)	Stiff competition (32%)
2	Poor character, attitude or personality (60%)	Lacking of certain required skills (31%)
3	Poor command of English language (56%)	Poor command of English language (23%)
4	Poor communication skills (52%)	Poor communication skills (22%)
5	Choosy about the job or company (38%)	Do not know Mandarin/Tamil (19%)

Source: Job Street .Com

Communication Skills

“Malaysia acknowledges the high importance of English yet graduates from public universities in Malaysia encounter challenges in speaking, writing, reading, and listening in the English language for job-related tasks at the workplace ” (Carol et al.,2011).

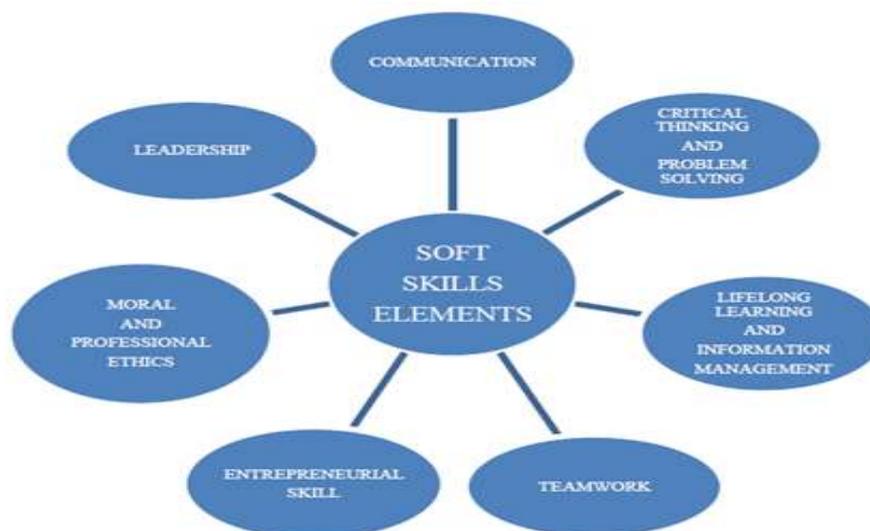
Private companies that comprise multinational companies and international subsidiaries are recruiting graduates majoring or fluent in English communication. Companies believe that high skilled graduates are fluent in English communication and will work more effectively within the organization to improve productivity. According to Wei S. L (2011), the study found 50 Private Companies in Selangor and Perak recruitment of employees depends on their command of fluent in English language.

In addition, graduates are proficient in English at the same time acquire the skills and knowledge such as Information and Communication Technology (ICT) skills, ability to work in a team, and good interpersonal skills and so on. So, graduates must give importance for English language proficiency and communication skills as crucial for graduate employment ability.

Soft Skills

Malaysia is based on the Vision 2020 of becoming a developed nation, not just expect graduates with high academic achievement but depending on soft skills and practical skills. Employers believe the change will occur effectively in organizations where a person is recruited graduates have a variety of soft skills as illustrated in Figure 3.

Figure 3. Soft skill elements



Source: Ministry of Higher Education, 2006

Ministry of Higher Education, Malaysia (2006), said as graduates must have soft skills elements to measure abilities communicate in English languages (communication), critical thinking and problem solving, must work as teams, develop business proposals and identify business opportunities (entrepreneurial skill), apply ethical principles and have, plan, supervise, monitor and lead (leadership), build relationship, interact and work effectively (lifelong learning and information management) and professional ethics.

The current job market prefers someone has additional skills that soft skills. Formal education does not teach the acceptance of soft skills but is dependent on the business itself graduates who try or participate in a variety of work and study skills. Self-confident attitude will gain knowledge and skills of graduates into a work area. Through the experience gained graduates need to think solving a problem efficiently and increase productivity. Market demand of employers expect job candidates eager graduates and highly motivated, confident, try to develop their own career and improve productivity.

Hence, soft skills is one aspect of the job competencies that must be owned by each of the graduates to enable them to become a skilled worker and capable in the world of work are involved.

Choosing Work

Human Resources Minister Dato 'Sri Richard Riot Anak Jaem said too choosy attitude of the citizens of this country, especially graduate unemployment has caused problems occur. He said a lot of planning was held for graduates to avoid unemployment not only by governments but also by government-linked companies (GLCs) and private companies.

Graduates do not seize the business opportunities that exist to encourage. This is because the graduates are still looking for a suitable job and promising earnings commensurate with their academic qualifications possessed. No doubt there are also those who do not choose a job and accept any job offered by the employer, although not directly related to their field of study.

Experience

Someone who wants to get a job must have work experience. Many employers, particularly in the private sector are more likely to prioritize the candidates have experience of working against highly qualified graduates but experienced only in theory.

Attitudes of employers who prefer this experience caused many unemployed graduates. The new graduates are not given the opportunity to try out as many employers argue they do not want to incur any loss due to the lack of experience of employees. For them, the experience

is important to facilitate the work. Experienced workers do not have to undergo training and courses as equipped with the necessary skills and knowledge. This helps reduce the costs borne by the employer. However this employer action brought loss to the country because unemployment are increasing and the amount of income per capita decreases. Thus, graduates should not only choose the salary because the experience is more important for the future.

Lack of Industry Training

The lack of industrial training provided by the public education institutions in collaboration with companies or non-governmental organizations does not help the graduates to face the challenges of the industry. Therefore graduates do not get early exposure associated with job prospects and does not meet the standards set by the outside world. As a result the level of competitiveness of graduates is low and will remain competitive competition from the many other institutions that provide training industry.

The courses are not recognized by the government are offered in private institutions. Now there are hundreds of institutions which appear mainly in private education institutions can be likened to grow mushrooms after rain. The facts that dumping institutions playing with words when offering courses that are not accredited and meet specified job. In conclusion, the present study institutions are more concerned with profit than function, which must consistent offering education and training services industry.

WAYS TO REDUCE THE UNEMPLOYMENT AMONG GRADUATES IN MALAYSIA

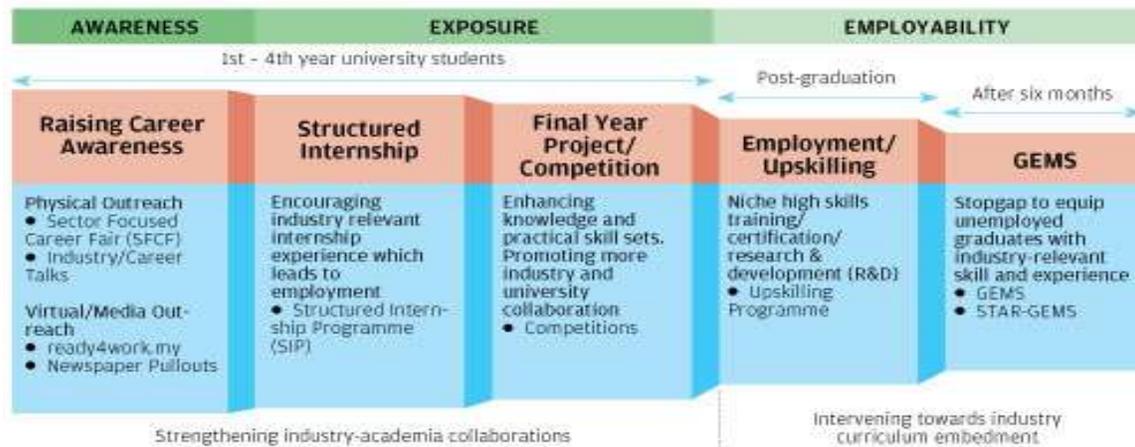
Change of Attitude

Attitude of graduates themselves have to think professionally and not being negative about something. As a process of finding a variety of experiences ranging from a subordinate management enable graduates to learn basic things that you want to venture into the field

In addition, a person graduates also need to improve communication skills, especially fluency in English and a variety of skills Soft Skills. Graduates need to take the initiative to learn various skills Soft Skills that are not taught directly in the study. Self-confident attitude will gain knowledge and skills of graduates into a work area. Through the experience gained graduates need to think solving a problem efficiently and increase productivity. The government should raise the level of education and also continue to promote the importance of English among graduates.

Partnering Employers and Universities to Enhance Graduate Employability

Figure 4. Graduate employability initiatives



Talent Corp's initiatives in the area of graduate employability aim to achieve three main objectives: increase awareness, provide exposure, and increase the employability of graduates. These programmes work hand-in-hand with employers and universities, ultimately with the aim of equipping students to prepare them for work.

Institutions, particularly trainers need to understand and apply the soft skills that are very important to the industry now. Based on the findings, it is suggested that the problem-solving skills and communication in English will be given significant emphasis in the teaching and learning process. Graduates should also have a positive attitude towards work and the environment, innovative and creative. The ability to meet the challenges and take risks to challenge should also be applied to the students. Cooperation between colleagues and understand the goals and demands of employers and able to work independently and producing quality workers is also an industrial use.

One of the steps to reduce graduates unemployment is by promoting a conducive environment for the development of entrepreneurship among graduates, hence less graduates will be looking for paid employment

CONCLUSION

In conclusion, Malaysia is aiming to become a fully developed nation by the year 2020. Therefore, English language is relatively important for cross cultural communication involving international participation. English, as the world lingua franca, is a mean social mobility and Malaysian graduates should have an awareness of its importance and develop a positive

language attitude to master the language. Effective skills training will produce graduates who are educated and skilful before entering the working field. Besides, it will also produce graduates with a good working ethics, proactive and able to solve problems related to the work. A graduate is selected to fulfill a post because the employer believes that the individual has a better knowledge and working skills as compared to other candidates. Pang (2011) mentioned that there are three primary strategies to construct an integrated human workforce which are;

1. restructuring the educational system in order to increase the students' achievements
2. increasing the graduates' skills in order to increase the marketability of the graduates, and
3. restructuring the labour market system in order to develop Malaysia as a high-income nation.

WAY FORWARD

This article discusses the issues of unemployment among graduates and how to overcome them. Individual factors less communication skills, soft skills and experience working and rather choose employment to issues of unemployment among graduates in Malaysia. The question here is, how to maintain the level of unemployment and achieve full employment target a developed economy. In the future, researchers should look into such details of other factors that can affect the unemployment rate, which are inflation and wages.

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