

"Envisioning Malaysia's Future Employment : Trends vs Skills"

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EMPLOYMENT TRENDS VS SKILLS



1. EMERGING
SIGNIFICANCE
OF GIG
ECONOMY



2. RELUCTANCE
OF SPM LEAVERS
TO FURTHER
EDUCATION



3. MOVEMENT
TOWARDS WORK
LIFE BALANCE



4.
UNDEREMPLOYMENT
OF RECENT GRADS



5. FUTURE
SKILLS



6. BRAIN DRAIN

Emerging significance of gig economy

- Malaysia - the majority of gig workers are young, highly educated female with median age of 29 (54%). The largest share of workers are degree holders (27.5%), followed by SPM holders
- Top reasons workers embrace the gig economy are:
 - making extra money,
 - better balancing career and family needs,
 - having autonomy and control
 - greater satisfaction with their work
- Portable benefits
 - redesigning welfare arrangement to balance flexibility and dynamism of modern jobs and security of traditional employment (KRI, 2017)
 - Protection tied to workers instead of employer, where platforms to contribute to workers – including health insurance.
 - Example: Malaysia's Self-Employment Social Security Scheme with SOCSO.

Reluctance of SPM leavers to further education

- MoE had revealed that some 70,455 SPM candidates had become dropouts, which means that they could not further their studies.
- The factors include:
 - need to support their family income
 - gig platform offers flexibility as well as good income if they work hard
 - influence of social platform of success stories of startups
 - high numbers of graduates who are unable to find jobs related to their field of study and have to take up low skill jobs
 - university degree does not guarantee a high paying job

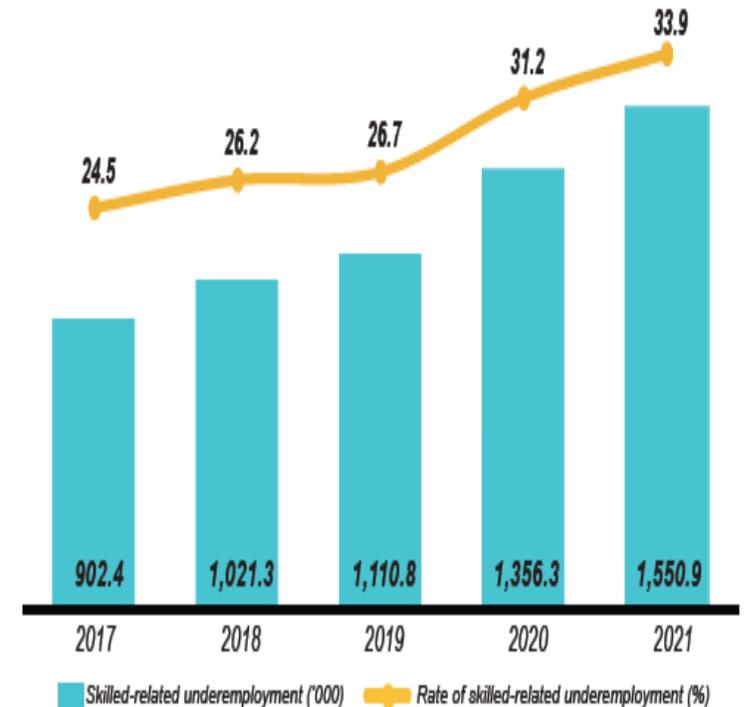
Movement towards work life balance

- The pandemic has **transformed the way people work**. More and more employees are focusing towards achieving a sense of **balance between their work and personal life**. When employees realize that their personal life is compromised, it impacts their overall performance.
- Employers are adopting **new working models that incorporate flexibility and agility and reap benefits in business productivity and sustainability**. there is trend to provide for flexible work arrangements such as flexi hours and staggered work.
- The advancement of technology has allowed an individual to **work from anywhere in the world**. Increased focus towards leading a better quality of life has led many individuals to choose more flexible organizations.
- An effective work life balance can **improve the working efficiency, happiness and commitment** level of the employees. It is important for employers to become aware of the issues faced by employees, and then seek a mutually beneficial solution
- The main concern of employers is on **how to implement a structured and sustainable FWA suited for their nature of business**

Underemployment of Recent Grads

- **Underemployment of graduates** is related to education, whereby graduates are employed in **semi-skilled and low-skilled occupations**. It can be observed that the situation of skill-related underemployment which has been one of the **fundamental and structural** issues in the labour market has intensified since the health crisis.
- The Department of Statistics Malaysia's (DoSM) Graduates Statistics 2021 revealed that the rate of skill-related underemployment among graduates rose to **33.9% compared to 31.2% in 2020, recording a total of 1.55 million persons**.
- **Reasons** for high under employment of graduates
 - skills mismatch
 - few high skilled jobs,
 - preference for gig platform and freelancing
- Individuals will need to act and engage in **lifelong learning**, so they are adaptable when the changes happen. The **lifespan for any given skill set is shrinking**, so it will be imperative for individuals to continue to invest in acquiring new skills.

Chart 5: Graduates skill-related underemployment of graduates, Malaysia, 2017 – 2021



Brain Drain

- Malaysia faces challenge of an **exodus of talent**. The outflow of talent does not seem to square with what is needed domestically: a skilled, entrepreneurial and creative labour force that helps propel value added.
- Malaysian **diaspora is large and expanding**, as well as geographically concentrated and ethnically skewed. Brain drain has been growing at an average rate of six per cent per annum. There's now an estimated **two million Malaysians living and working abroad**. (New Straits Times September 25, 2021).
- Malaysians leave to work overseas because of **several factors** which include:
 - Less attractive salary / benefits than overseas
 - Lack of career prospects / unavailability of opportunities in specific fields
 - Quality of life factors
 - Access to high-quality education for themselves and their children
 - proximity to Singapore which has higher exchange rate

Future Jobs

- WEF -Future of Jobs 2020 survey revealed growing demand in roles related to big data, digitalisation, and robotics for professions such as:
 - data analyst, data scientist, artificial intelligence expert, machine learning specialist, robotic engineers, software and application developers, and digital transformation specialist.

Source: Productivity Report 2021, Malaysian Productivity Corporation

Table 3 : Top 10 Jobs Roles In Increasing and Decreasing Demand for the Future



Increasing Demand
Data Analysts and Scientists
AI and Machine Learning Specialists
Big Data Specialists
Digital Marketing and Strategy Specialists
Process Automation Specialists
Business Development Professionals
Digital Transformation Specialists
Information Security Analysts
Software and Applications Developers
Internet of Things Specialists

New Skills Sets

- Alongside the creation of the “jobs of tomorrow”, the demand for new skill sets arises
- Digital skills are on the rise such as:
 - technology design and programming,
 - system analysis and evaluation
- ‘Human’ skills demanded such as:
 - creativity, originality,
 - critical thinking and analysis,
 - Leadership
- The demand for skill sets in post-pandemic scenario can be categorised as specific technical skills needed by growth sectors for expansion and progress, sectors facing challenges and adjustments created the pandemic, and sectors undergoing structural change in adjusting to new profiles.

Table 4 : Top 10 Skills In Increasing and Decreasing Demand for the Future



Increasing Demand
Analytical thinking and innovation
Active learning and learning strategies
Complex problem-solving
Critical thinking and analysis
Creativity, originality and initiative
Leadership and social influence
Technology use, monitoring and control
Technology design and programming
Resilience, stress tolerance and flexibility
Reasoning, problem-solving and ideation