

Keynote address by Professor Elizabeth Lee, Chief Executive Officer, Sunway Education Group

Perdana Discourse Series 22

Envisioning Malaysia's Future Employment: Trends vs Skills

Date : 25 August 2022, Thursday

Time : 9am

Venue : Perdana Leadership Foundation, Putrajaya

Good morning.

- YBhg Tan Sri Nik Mohamed Nik Yaacob, Executive Director, Perdana Leadership Foundation
- Professor Dato Sri Dr Omar Osman, the speaker from DRB-Hicom for our talk today and 21 other talks
- Yang Berusaha Puan Zarina Abu Bakar, General Manager, Perdana Leadership Foundation
- Distinguished panellist speakers and honoured guests

Dear students

Ladies and gentlemen

Introduction

Firstly, allow me to thank the Perdana Leadership Foundation for inviting me today to share some views on a most important topic. It is truly a privilege to be able to address everyone here.

My keynote today will touch upon **4 key areas**:

1. Employment Trends – Globally;
2. Employment Trends – Malaysia;
3. What Malaysia's Future Employment Landscape Could Look Like; and lastly
4. The Way Forward & What the Future Holds

Distinguished guests, ladies and gentlemen,

The Youth Unemployment Dilemma

To begin, I would like to quickly highlight macro points.

Firstly, in April this year, the Department of Statistics Malaysia (DoSM) reported the country's unemployment rate stood at 3.9 percent. This marks a dip below 4 percent for the first time since COVID-19 started in 2020. Hooray, right?

However, the unemployment rate for youth aged 15 to 30 years was 7.7 per cent or approximately 501 thousand people. While this is an improvement from the 8% unemployment rate in March, comparatively, youth are still more disproportionately impacted by unemployment.

Secondly is also what Tan Sri Nik Yaacob mentioned earlier, Malaysia has a very low share of high-skilled jobs compared to other advanced economies, including our neighbour south of the border. According to the Socio-Economic Research Centre (SERC), as of January 2022, Malaysia's share of high-skilled jobs is only 24.7 percent compared to approximately 50-60 percent in other nations whose development we should be competing against. In fact, a bulk of Malaysia's jobs are in the semi-skilled category at 62 percent while the low skilled category is 13.1 percent. In this regard, about a decade ago, according to TalentCorp, the number of tertiary education graduates in the labour force had surpassed the number of high-skill jobs available in the economy. I am not currently sure where this gap stands.

These 2 points highlight interrelated issues on the supply and demand side of things: Namely that we not only have to solve unemployment, but must ensure that the economy has the right kind of jobs available for our youth. In other words, there is no point in creating low-value jobs if it does not lead to prosperity, upward mobility, and a better quality of life.

I will further discuss and address these points as I go along. My next point of discussion will be on Global employment trends.

Employment Trends - Global

Ladies and gentlemen, when it comes to global employment trends, there are 4 things I would like to highlight.

Domination of Automation and Tech - Are Machines and Automation Taking Over Jobs?

First, let's talk about the **domination** of automation and technology. Tan Sri Nik Yaacob's prediction "a little or no work to do" as AI takes over. A key question we have been grappling with is "are machines and automation taking over jobs?"

Prior to COVID-19, the general view was that the global economy had entered a new era of automation with the coming of the 4th Industrial Revolution (4IR). This new era is characterised by advances in:

1. Artificial intelligence and machine learning.
2. The Internet of Things (IoT).
3. Autonomous hardware and software robotics.
4. Advanced data systems.

While the term "automation" often evokes images of robots replacing workers on factory floors, it actually **encompasses a wide range of work across all sectors and areas.**

There have been various reports on the impact of 4IR and automation on the workforce.

- For example, a 2016 report by the World Bank cites 2/3 of jobs could be lost to automation in developing countries, Malaysia included.
- Separately, in a 2017 McKinsey report, it is said that by 2030, 75 to 375 million workers are expected to have to change job categories.
- And in 2020, the World Economic Forum (WEF) updated earlier findings and reported that by 2025, 85 million jobs may be displaced by a shift in the division of labour between humans and machines. So, what about Malaysia?
- According to a report by McKinsey, also in 2020, 4.5 million people in Malaysia will lose their jobs because of automation by 2030.

So, as you can see from the various reports: there is consensus of job loss due to automation and 4IR.

Nevertheless, the WEF Future of Work Report 2020 also stated that by 2025, 97 million new roles, more adapted to the new division of labour between humans, machines and algorithms, are likely to be created. In Malaysia, McKinsey reports approximately 6 million new jobs will be created.

While it is convenient to throw around these big numbers, the important question is: Who will be filling up these jobs? Will it be our young Malaysians? Are our youths ready and prepared to pivot and learn to adapt? This is where the opportunity arises. It is a question of how best we take it.

To the young people in today's audience, let me ask you a question – How many roles do you think will be generated just in **cloud computing**? The answer – at least 10 roles. This includes Product Manager, System Administrator, Sales, Software Engineer, Consultant, UI/UX, Network Engineer, Systems Engineer, Architect and Services Developer. So, how many were you able to guess?

Furthermore, a related global trend is the impact of COVID-19 and the unprecedented health crisis which has changed economic activities and jobs around the world. The pandemic has also hastened the acceptance of "everything digital" within the workforce. As you can see from the slide:

- While 83 percent companies are scaling remote work.
- And 84 percent accelerating digitalisation.
- And 50 percent accelerating automation – Sushi Zanmai robots.

The reality is COVID-19 pushed businesses towards digital adoption. It was a significant shift and the pace will continue to rise as automation contributes to productivity and business performance.

The Great Resignation

The second global employment trend I would like to highlight is the great resignation. The term 'The Great Resignation', coined in 2021, refers to the vast number of people leaving their jobs since the start of the pandemic. After experiencing an extended period of working from home, studies have shown that many have made work-life balance a priority.

According to a 'Global Workforce Hopes and Fears Survey' by PwC, the report found an increased importance on work flexibility by staff, where 26 percent of those surveyed preferred full-time remote working but only 18 percent said their employers are likely to adopt such flexibility. Another 18 percent said their employers are likely to require full-time in-person work.

We must of course in this, take into consideration that not all in the workforce can be allowed to work remotely.

Even then, to further emphasise the rapidly changing nature of such trends, there are reports that many people already regret being part of the Great Resignation. What was a trendy post-COVID-19 thing, now has become a source of dismay for people who realise that the grass is not any greener on the other side. In a survey conducted by The Muse (a job search site), found that almost 72 percent of respondents, felt either 'surprise or regret' with their new jobs or new companies, with 48 percent trying to get their old jobs back. Many who made the hasty decision to move during the pandemic, or immediately following its most critical phase, may now be having second thoughts.

This actually prompts a few interesting questions with regard to the future of work:

1. Can work really be done remotely in the long term from the office?
2. Have we learned anything about work-life balance post-COVID-19?
3. What really is the balance between ideal for workers and employers/organisations?

The Gender Gap Persists

The third global trend I'd like to highlight is on the workforce gender gap. The latest World Economic Forum Global Gender Gap 2021 found that it would take **267.6 years to close** the workplace disparities between male and female workers.

On top of the usual reasons that perpetuate the gender gap, COVID-19 has exacerbated the problem. In a McKinsey report, referencing gender-disaggregated data and trends of unemployment surveys in the United States and India, it is estimated women have a 1.8 times higher chance than men in losing their jobs due to COVID-19 globally.

In the fight against COVID-19, women make up almost 70 percent of healthcare workers which means more women are exposed to greater risk of infection. At the same time, they are under-represented in leadership roles as well as in decision making within the health care sector.

According to the OECD Development Centre's Social Institutions and Gender Index (SIGI), women around the world carry out up to 10 times more care work than men. This was especially so during the lockdowns which put into place at-home quarantines, travel restrictions; saw the closure of schools and day-care centres, which meant women having to care for children at home as well as aged parents while they themselves were working from home. Needless to say, it was during such times that violence, abuse and exploitation of women increased too.

The Future of Hybrid Work

The fourth global trend pertains to hybrid work arrangements. In a WEF report which I cited earlier, nearly two-thirds of respondents prefer a mix of in-person and remote working. Only 11 percent prefer full-time in-person work.

However, we can see big employers like Apple and Tesla compelling their workers to return to the office.

So, how do we measure “what is right?”. Do we take Apple's market cap and use this apparent success to justify return to office instructions? Or do we look at other measurables, such as employee happiness? The answer is not easy, a balance must be struck – company success is driven by revenue maximization; while productive workers are those who are happy.

That being said, many companies have found that **hybrid work arrangements can maximise productivity, efficiency and output**. While there is of course no one general formula which works for all sectors and industries, it is generally believed that hybrid work could very well be here to stay as it is feasible when it works to benefit employees and employers.

In gist, these 4 global trends, which are a mixture of challenges we have seen and not seen before, are transforming the future of work.

Employment Trends - Malaysia

Ladies and gentlemen, next I would like to zoom in on employment trends in Malaysia.

Malaysia's job demand trends are **generally consistent with global trends**, with **a strong focus on digital and specialist talents** to accelerate the nation's development in terms of innovation towards a high technology-based economy.

Shifts in Non-Standard Work

The first is the shift towards non-standard employment or NSE.

Calvin Cheng and Harris Zainul of the Institute of Strategic and International Studies (ISIS) Malaysia highlighted in their paper 'Trends in the Future of Work for Malaysia' highlighted the rise of NSE. Their projections suggest non-standard work will make up a **significant portion** of the Malaysian labour market in the coming decades.

NSE is fuelled by demand for flexible work and low entry level, this includes gig-workers, freelancers and contract workers. Statistics published by World Bank in 2020, highlighted 26 percent of the Malaysian workforce were "gig workers". The Department of Statistics Malaysia (DOSM) who are also among us, shared the total was almost 4 million people working in the gig economy. The 12th Malaysia Plan (2021-2025) aims to create an ecosystem which supports the development of the gig economy.

However, the rise of NSE is both a trend that has raised caution amongst market observers. As it could indicate:

1. The lack of higher-value jobs within the market.
2. Youth losing interest in full-time roles because of low compensation / wage challenges.
3. Higher dependency on foreign labour and thus capital outflow.

So, which is it?

Skilled Jobs in Demand

The second Malaysian employment trend is related to skills demanded by the workforce.

In its 'Automation and adaptability: How Malaysia can navigate the future of work' 2020 report, McKinsey found 50 percent of work time in Malaysia is spent on repetitive or routine activities. These are ripe for automation and replacement.

The report found that manual, physical and basic cognitive skill jobs will be on the decline, with **expected growth** in jobs requiring technological, social, emotional, and higher cognitive skills. Furthermore, with the demand for digital roles on the rise, proficiency in the digital categories are still low, hence, the need to focus on developing these skills to keep up with demand.

Skills Aligned to Sustainable Development Goals (SDGs)

The next trend I wish to highlight is closely related with something that my organisation, Sunway, has close to our heart – namely, Education Sustainable Development (ESD).

Recently, Professor Jeffrey Sachs, who is also a Tan Sri Jeffrey Cheah Distinguished Honorary Professor and Director of the Jeffrey Sachs Center on Sustainable Development at Sunway University, highlighted the need for more sustainability education or ESD within global education systems.

Professor Sachs stressed that issues on sustainability such as climate change, corporate responsibility, and for instance how businesses can clean up after themselves by turning waste to useful input, are not adequately addressed in school systems around the world.

He said, "Students hear about it (the Sustainable Development Goals or the SDGs), they want to know more about it, but they don't get it. They don't get the scientific dimension, the political dimension or the business dimension. Yet in a few years, in their jobs they will have to deal with sustainability, ESG, and all sorts of SDG related issues in their businesses. This is why SDG education is important".

I believe Professor Sachs' point is pertinent – Education and Employability are closely related.

In relation to this, the SDSN has launched Mission 4.7 to champion ESD which is aligned with Target 7 of the UNSDGs on Quality Education. I will not say too much on this but please look out for my column this coming Sunday in The Star on Mission 4.7.

As such, teachers together must promote ESD and sustainable practices within their schools. The bigger picture to all of this, is that education on sustainability equips students with knowledge and skills in emerging markets – from new methods of recycling to consultancy roles –providing job opportunities which could help overcome poverty.

Ladies and gentlemen,

Increased Women Participation in the Labour Force

The fourth employment trend in Malaysia is quite interesting. There has been a steady increase in women's participation in the Malaysian labour force, going against the global grain. This positive trend is expected to contribute to the local economy as well as other sectors such as care services.

According to the International Labour Organization (ILO), most care workers (whether paid or unpaid) are mainly women, hence with more women entering the labour force, the demand for care services is expected to increase.

The ILO estimates total care, and its related employment, would increase from 206 million jobs in 2015 to 358 million in 2030. This may lead to an increase in the demand for skills related to care services.

The ILO has also talked about the need for more women in the TVET space. In a recent interview on BERNAMA hosted by my colleague Danial Rahman, the ILO's Chief Technical Advisor, Dr Junichi Mori said, "Malaysia's workforce needs further diversification, and getting women involved in technical and vocational education and training (TVET) is vital for its future".

Hence, there is a need to de-mystify and de-stigmatize women's participation in "purportedly masculine" roles, in construction and manufacturing, as part of this larger push to enhance women participation in the workforce.

Continuous Upskilling and Lifelong Learning

Fifth, lifelong learning is expected to take on greater importance in the workforce.

Among adults, there is a need to equip them with more technology and skills. In Malaysia this is especially pressing in order to shift from low-skill or manufacturing to high-skills.

There are many ways to do this. There is the growth in online learning which provides better flexibility to learners. In Asia Pacific there are currently 28 million learners, with online learning providing access unlike ever before.

In addition, the Malaysian Qualifications Agency is aggressively promoting APEL or the Accreditation of Prior Experiential Learning. This allows individuals to gain education at higher levels by using their experience as entry criteria. I'm inspired by the stories of APEL Icons Eizaz Azhar, a school dropout at 14 who went into entrepreneurship, and at the age of 30 went straight to an MBA with the Asia School of Business. Then there's also famous Malaysian jazz pianist, Michael Veerapen, who did a Masters in Music, despite not having a bachelor's degree.

I believe that the enculturing of lifelong learning bodes well for Malaysia's employment in the long run.

What Malaysia's Future Employment Landscape Could Look Like

Ladies and gentlemen, next I would like to talk about what Malaysia's future could look like.

Our most immediate point of reference would be the 12th MP, under which Malaysia will focus on various key growth sectors including healthcare, telecommunications technology (including 5G), and transportation.

Just to highlight an example, according to the Finance Ministry, **5G technologies** will boost the economy by RM650 billion and create **750,000 high-value jobs between now and 2030**. The Minister of Finance was reported to have said that "the success of our 5G deployment is a **matter of public interest**".

Related to this would be the launch of the RM1.2 billion MEASAT-3d satellite by the Prime Minister in June which will significantly improve the country's internet services and speed, especially in rural areas, and enable better services like telemedicine and the Internet of Things (IoT).

In addition to the above, according Talentcorp's Critical occupations list, the critical roles that need to be filled in Malaysia include the following – please refer to the slide:

1. Policy and Planning Managers
2. Sales and Marketing Managers
3. Advertising and Public Relations Managers
4. Information and Communications Technology (ICT) Managers
5. Chemists
6. Mathematicians, Actuaries and Statisticians
7. Industrial and Production Engineers
8. Civil & mechanical Engineers
9. Specialist Medical & nursing Practitioners
10. Environmental and Occupational Health and Hygiene Professionals
11. Accountants and Auditors

So, Accountants will not be replaced by robots soon as some believe.

And of course, I believe the future of Malaysia's employment space will be that of a robust entrepreneurship and start-up ecosystem. Less we forget, SMEs make up the backbone of the Malaysian economy and contributed to approximately 38.2 percent of the country's GDP and generates 70 percent of employment. Hence, producing job creators is very important for the nation.

Distinguished guests, ladies and gentlemen,

As mentioned earlier, McKinsey positively estimates 3.3 to 6 million new jobs could be created by 2030 due to new labour demand. **BUT, the challenge is - will our graduates be able to take up these roles?**

According to World Skills Clock, **60 percent of Malaysian youth lack secondary-level skills in literacy and numeracy, with 35.1 percent lacking in basic digital skills.** This lack of skills, in addition to lack of creativity and English language skills are consistent pain points faced by organisation when hiring Malaysian youths.

Speaking of English, the Government under the Malaysian Education Blueprint (MEB 2013-2025) aims to strengthen proficiency of the English language on top of proficiency in Bahasa Malaysia. I believe this policy struck a good balance in terms of our dual-language culture in Malaysia. It is something that is unique to us. Personally, I believe the future is not just about being bi-lingual, but more importantly multi-lingual – there are people who can speak 3, 4, 5 languages.

Ultimately, in order to fulfil the promise of a future Malaysia, we must keep an eye on the kind of graduates we produce. COVID-19 has also exposed our fresh graduates to a more competitive world, where they not only have to compete globally but with people who are more experienced and looking for jobs themselves. So definitely the landscape is changing, but with that also arises new opportunities for graduates with the right disposition.

Ladies and gentlemen,

What the Sunway Education Group is Doing

As CEO of the Sunway Education Group, I will be 'celebrating' my 30th anniversary with Sunway this year. This has given me the privilege to witness not just the growth of Malaysia's education system or the Sunway Education Group of institutions, but also be responsible over the development of thousands of students and young Malaysians over the years.

As such, I seek your indulgence to share some points about what Sunway is doing as part of our efforts to equip the Malaysian youth for the workforce and the future.

Our starting point is the unwavering support of our Chairman and Founder, Tan Sri Jeffrey Cheah. To date, via the Jeffrey Cheah Foundation, over RM618 million in scholarships have been disbursed to thousands of deserving students. We see the need even more so now with the disparity and inequality that have been highlighted and brought to the forefront by the pandemic.

Through the foundation, we have also been able to set up various entities to spur our nation-building mission. Our various initiatives and centres include:

- **The Jeffrey Sachs Centre on Sustainable Development** which I mentioned briefly earlier. One of its flagship programmes is our Masters in Sustainable Development and Management, where we aim to bring policymakers, NGOs, and industry together to learn about the best way to manage sustainable development.
- We then have our **SDG Academy** which provides online learning and education focusing on SDGs. Please check out their website for amazing content on sustainability and how you can level-up in this field.
- We also have **Mission 4.7** – as mentioned earlier, we hope to be able to work with schools to inculcate SDG Education into our Malaysian syllabus.
- One of our newer additions in the **Sunway Centre for Planetary Health**, led by none other than Tan Sri Professor Dr Jemilah Mahmood, as its executive director. The Centre believes that in order to advance humanity's wellbeing, the declining state of planet Earth can no longer be ignored.
- And in order to address food security, we also have the **Sunway XFarms**. I invite you to visit the farm one day. It gives rise to many possibilities in food sustainability and nutritious eating habits.
- XFarms is part of our **Sunway iLabs**, which itself focuses on nurturing start-ups and entrepreneurs. We believe the future is not just about creating good job seekers, but nurturing job creators.
- Then there's also **42KL @ Sunway**. 42KL is a revolutionary peer-to-peer coding school. We offer tuition-free training in the fields of computer coding, digital, software and telecommunication, to address the talent gap for tech development in Malaysia. I would like to note that 40 percent of 42KL's current students are from the B40 group, while 8 percent do not have any formal education qualification.
- Aside from all of this, we look to continuously expand micro-credentials and lifelong learning pathways.

No 1 in Graduate Employability

I am proud to share that just a few months ago, Sunway University was voted No 1 in Graduate Employability by Talentbank. In a survey on the preferred recruitment choices of the leading graduate employers which include Microsoft, IBM, Petronas and Nippon Paint among others, our graduates were highly favoured.

For me personally, this is a validation of sorts of the various efforts undertaken by our hardworking academics, as well as the Sunway community as a whole, to create a conducive ecosystem for our young people. Our goal is, to nurture a new generation of change makers who will make our world a better place.

But that said, there is still a lot to do. We have a continuing and ongoing responsibility to our students, as well as students from across the country, from the B40 to M40 communities, to provide them with development opportunities.

Ladies and gentlemen,

The Way Forward & What the Future Holds

Before concluding, I'd like to share some thoughts on the way forward and what the future holds.

In a report by The Cognizant Center for Future of Work and Future Workplace titled "21 Jobs of the Future", some of the roles that jumped out include AI-Assisted Healthcare Technician, Artificial Intelligence Business Development Manager, Cyber City Analyst, and Data Detective. Aside from this, we also have unique roles emerging such as digital death manager (to manage your digital assets upon death), Pokemon Go trainer (to hire someone to walk around and hatch poke-eggs), and my personal favourite -- digital detox specialist (for when we need to log-off). So, how many of these have you heard of before?

Without a doubt, the future is both unknown but exciting. According to a 2017 report by the Institute for the Future & Dell Technologies, it is stated that **85 percent of the jobs that today's learners will be doing in 2030 have not been invented yet.**

So, what does this mean? It means that **we don't really know what we will know in the future.** Confused? Don't be.

Essentially, it means we must educate and equip our youth with **essential skills to navigate their unknown future.** This refers to cross-functional, multi-dimensional, and interdisciplinary abilities that will hold them in good stead, regardless of the industry they are in. Broadly, essentially skills can be divided into 2 categories: mindset skills and participation skills.

Mindset skills encompass the following:

- Analytical and critical thinking
- Creative, curious and initiative-taking
- Problem-solving and being cognitively flexible
- Entrepreneurially minded, informed risk-takers
- Committed to and capable of lifelong learning

On the other hand, **participation skills** include:

- Technically and digitally literate
- Team-spirited, able to lead and collaborate
- Emotionally and culturally intelligent
- Environmentally concerned and socially responsible
- Trustworthy, professional and ethically minded

So, the future is not just about the hard or technical skills – the robots and automation will take care of that. We have to focus on the essential skills – the hand, head and above all, the heart.

Conclusion

Ladies and gentlemen,

In conclusion, I'd like to reflect that during the pandemic, we have seen and gone through unforeseen shifts in the way we work. Though our young have been known to be resilient and adaptive, we have the responsibility to prepare them for whatever the future holds.

Hence, they have to be equipped to face challenges, to learn and improve, to constantly acquire new knowledge and be able to work with others from diverse cultures, backgrounds and gender, either in teams or individually.

It is up to us, at the higher education institutions, in industry, public and private sectors, to ensure that our youth today are ready for the work of tomorrow. However, we need to understand that we can no longer follow the direct and usual approach to teaching and learning, but rather take into consideration that the learning has to respond and adapt to economies, industries and societies as they evolve, or risk being left behind.

This was the prediction Alvin Toffler, American writer, futurist, and businessman, known for his works discussing modern technologies, made, and wrote in his book Future Shock in 1970.

“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn.”

Tom Kenyon, programme lead for the RSA City of Learning in his article 'Learn, unlearn, relearn' in the RSA Journal Issue 1 2022 highlighted:

- Unlearn as to let go of the things we value and identify with.
- Relearn as to accept that our education is never complete.

In short, to let go of the old way of doing things and relearn new ways. This concept of unlearning and relearning is more relevant now than ever before.

Once again, I thank you for this opportunity.