

GETTING TO THE ROOT OF GRADUATE UNEMPLOYMENT

Can the National Labour Institute solve this growing problem?

By Clarence Y K Ngui



DURING the recent UMNO general assembly in July 2005, Noraini Ahmad, head of Puteri Umno, called for a re-thinking of the dilemma of graduate unemployment in Malaysia. She questioned, why in an expanding economy, there are 36,669 Malaysian graduates without jobs? Is this a cause for concern for the nation? Perhaps Noraini struck the right chord.

Last month, the Ministry of Human Resources (MOHR) launched the RM100-million Graduate Training Scheme (GTS) Three to assist and equip unemployed graduates in Malaysia secure the right skills to find employment. MOHR Secretary General Datuk Dr P Manogran says efforts are being made to familiarise graduates with industry needs. He adds the MOHR has since provided training in specific skills such as Business Accounting, Financial Planning and Wealth Management, English Language, Tourist Guide Management and Entrepreneurship.

“These programmes seek to enhance their employability. To date, a total of 5,200 unemployed graduates have registered with GTS Three. Our target is 15,500 training places for unemployed graduates. The slow

registration rate as compared with the earlier schemes may be an indicator that graduate unemployment in Malaysia has decreased,” says Manogran.

Initiated in November 2001, GTS One and Two provided training for 21,160 graduates with various specialised skills. In 2004, a survey conducted by the Pembangunan Sumber Manusia Bhd on GTS One showed that 74% of unemployed graduates who had attended the scheme were by last year employed.

Is the MOHR’s GTS a success then? How could a six-month training centre produce an employable graduate, when three years of university education could not? Or are MOHR’s efforts merely a stop-gap measure?

MCA Youth Education Bureau Head Dr Wee Ka Siong says, ‘It is time to have an in-depth study on why university graduates cannot find jobs.’ He adds that the MOHR steps are good, but it is done only as a remedial effort or on an ad-hoc basis. He believes that graduates have to be prepared for the working world while still in university.

Ironically, prior to the Asian Financial Crisis of 1997, Malaysia was experiencing full employment and graduates were in great demand. Universiti Sains Malaysia’s

Vice-Chancellor Professor Datuk Dzulkiffi Abdul Razak asks, ‘Why was the demand for graduates so high that local universities then were asked to provide more graduates, and shorten the duration of study from four years to the current three?’

Dzulkiffi explains that the job market has changed since the boom years of 1993. ‘Malaysia has created a very diverse economy, and jobs now have to be tailor-made for different industries.’ Thus, this new diverse economy with an array of specific needs has resulted in the rise of graduate unemployment.

Tracking Unemployment in Malaysia

While the MOHR is constantly fighting unemployment in Malaysia, it is surprising that exact unemployment data is still unavailable. Earlier reports all quoted different figures. For example, on Feb 13, Minister in the Prime Minister’s Department Datuk Mustapa Mohamed quoted 18,000 unemployed graduates, while a few days later, Higher Education Minister Datuk Dr Mohd Shafie Salleh quoted 80,000 unemployed graduates.

So which is which? Is the 32,669 unemployed graduates figure quoted in July an improvement or otherwise?

Manogran explains that unemployment in Malaysia cannot be specifically determined as not all unemployed persons register with the ministry. He says, ‘There are always people who are between jobs, looking for better opportunities or perhaps working in a less-qualified position. So, how can you have the exact figures?’ He admits that unemployment among graduates could also be a structural problem, particularly due to the lack of information about the availability of jobs. However, this has not dampened Manogran’s spirits.

The MOHR, through its 50 labour offices in the country, provides employment services for people looking for jobs and employers looking for workers through the Job Clearing System under the Electronic Labour Exchange. ‘Whether it is Career Counselling or Job Fairs, we are able to bring potential employers and employees together. In 2005, via these efforts, some 7,024 graduates have found employment,’ says Manogran.

Yet, it still boggles the mind of the average Malaysian. If the Malaysian government is

uncertain of its unemployment figures, how can it provide the right solution for the dilemma?

Marketability of Graduates

Notwithstanding how many unemployed graduates we have in Malaysia, the main call for concern is the marketability of them. Are universities simply churning mills dispensing certificates, diplomas and degrees?

Dzulkifli says, 'I do not believe in marketing students to the job market. Universities are centres for knowledge and education. Should universities only concentrate on supplying graduates for the job market? What about historians and geographers? Is their knowledge a complete waste?'

For Dzulkifli, the universities are important in providing an all round educational package, but it is the industry's responsibility to provide specific skills for the job market. He believes industrial training enhances a university education and prepares a graduate for the workplace.

Wee believes graduates lack marketability due to the lack of specific skills such as competitive and leadership skills, and even simple English language proficiency. 'Universities have to be realistic in their courses,' he asserts. He believes, history and geography are important, but questions, how many historians and geographers do we need in Malaysia? He has a point.

Based on an analysis of jobs advertised in July 2005 in five main newspapers, the MOHR found that of the 3,664 vacancies, 31.9% of the job openings required interpersonal skills, 24.3% communication skills, 23.7% ICT skills and 21.6% English language skills.

Employers and industry/trade associations are encouraged to provide continuous feedback on job opportunities or vacancies and the specific skills required by the job market,' says Manogran. He believes with such feedback, both the MOHR and the Ministry of Higher Education can incorporate changes into their respective curriculum.

Local vs Foreign Graduates

Of the 32,669 unemployed graduates in Malaysia, the bulk are local graduates, with more than 80% being Bumiputeras. Can

this be a cause for concern? Taking cue from countries such as Taiwan, the Philippines or India, Dzulkifli asks, 'It is a natural process for more local graduates to be unemployed not due to ratio, but by sheer numbers.'

According to the MOHR, 225,900 students (including 132,127 students pursuing diplomas) were enrolled in local universities and colleges for the year 2003. However, information on the enrolment of Malaysian students in foreign universities is not available.

'Without such figures, making comparisons based on absolute figures will give the impression that a higher proportion of local graduates are unemployed compared to foreign graduates,' argues Manogran.

With 17 public universities and more than 500 private colleges, it is surprising that educational opportunities do not meet industrial expectations.

However, Dzulkifli believes that unlike other local graduates, USM graduates do not face serious graduate unemployment in Malaysia. He says that 70% of USM graduates are able to secure jobs before their convocation, while the remainder 30% would secure jobs within months of graduating. He reasons that USM graduates are in demand because they are mainly from a science background.

Another local university, Universiti Teknologi Malaysia has made it compulsory for students to submit details of their employment three months after completing their courses. UTM Vice-Chancellor Datuk Professor Dr Mohd Zulkifli Mohd Ghazali reveals that in 2005, 76.2% of all graduates secured jobs within three months of graduation. Perhaps there might be a

favourable demand for foreign graduates in Malaysia.

'Employer organisations give the impression that employers prefer graduates from overseas because of their communications skills, their proficiency in the English language, and their ability to express their thoughts and ideas with confidence and clarity,' says Manogran.

But Wee has another theory on why more unemployed graduates are from local universities. 'There is less urgency to secure a job,' he says. Maybe he is right, as most local graduates pay low tuition fees or are on scholarships or on government loan. It's a different scenario for a foreign graduate, 'With hefty education bills which can amount to at least RM50,000, there is an urgency to find a job,' he says.

Industrial Training

With 17 public universities and more than 500 private colleges, it is surprising that educational opportunities do not meet industrial expectations. Dzulkifli says, 'It is impossible for every university to provide for the diverse needs of the industry.' He believes the university provides solid grounding in education, but sometimes, the industry must take responsibility for providing specific training.

'Retraining has to come from an industrial perspective,' says Dzulkifli. He believes any retraining programme is good, but says, the industry should take the lead in bridging education with employment. The mismatch happens when too many graduates are churned out in certain sectors, for example, the information and computer technology, communications and humanities.

But Dzulkifli is adamant that universities should not be blamed for not providing suitable graduates for the industry. 'We are in the industry of education. We provide knowledge,' he says.

Remedies for Graduate Unemployment

'There is no quick remedy,' says Dzulkifli on solving graduate unemployment in Malaysia. This view is also shared by Wee. The latter says it is time to overhaul the educational needs of Malaysia. Ultimately, Dzulkifli says, educational opportunities should match the job opportunities in Malaysia without sacrificing the need for

knowledge and education.

Whatever it is, whether it's a mismatch or a lack of education skills, it has to be corrected fast.

In the meantime, Wee, through the MCA Education Bureau, conducts job fairs and provides career guidance for students from local universities as well as Universiti Tunku Abdul Rahman and Kolej Tunku Abdul Rahman, both run by the MCA.

'As of now, our graduates (both UTAR and KTAR) do not have difficulties in securing a job,' Wee says. He believes all that is needed by local graduates is a slight push.

Of late, forums such as the Academia-Industry Consultative Council (AICC) as well as the National Economic Council and the Ministry of Higher Education have, in cooperation with the private sector and other government agencies, held several discussions on the problem of unemployed graduates. 'We have identified the actions that can be taken to overcome this

problem,' says Manogran.

But Noraini notes that more can be done. She has since proposed the setting up of a National Labour Institute to focus on research and training in the Malaysian labour market. According to Manogran, pending the availability of funds, the project will begin under the Ninth Malaysia Plan. 'This institute will undertake both research and training on labour which will be used as a point of reference in the formulation of national labour policies in the management of industrial relations and human resource planning and development,' he says.

Both Wee and Dzulkifli also consider the setting up of such an institute as a good move in providing long-term solutions. They share Manogran's views that the setting up of a National Labour Institute in Malaysia will be a step forward for the country especially in addressing globalisation and liberalisation issues and its effects on

workers, employment and the workplace.

Is the National Labour Institute the panacea for the current ills? Would the Government's push towards expanding higher education opportunities lead to a further increase in graduate unemployment in Malaysia? Dzulkifli believes graduate unemployment is a global phenomenon if there is a continual expansion of education opportunities.

For now at least, it seems the MOHR's GTS is the best solution. It can at least provide the right training for unemployed graduates and assist them in searching for a job as soon as possible. Yet, cautions Wee, this is only a temporary solution.

'Remedial efforts can only be temporary. We need a permanent solution, that is to rightfully match educational opportunities with job opportunities,' says Wee. Is Malaysia then on the right path with the National Labour Institute or is another rethink of the situation needed? **mb**