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HIGH RATE OF UNEMPLOYMENT AMONG GRADUATES IN MALAYSIA

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Abstract

The graduate unemployment rate is one of the current issues being discussed by higher education scholars. College and university students often face unemployment after spending their valuable time and money in order to receive educational advantages. This study was conducted to examine the factors on why fresh graduates facing a high rate of unemployment in Malaysia as this issue has indirectly affected the graduates as well as the development of Malaysia where the unemployed graduates probably tend to do crimes as their initiative to survive in this era especially with the unstable economy in Malaysia. Apart from that, the graduates' mental health could also affected in the process of their transition from university to the labour market. Plus, a marriage institution might be affected as well as there will be no financial support provided if the graduates are unemployed. The researchers use in-depth interview in order the get the specific analysis of the unemployment phenomena. The findings of this study shows that factors such as lack of skills, demanding attitude and unstable economic does contribute to the high rate of unemployment among graduates. Apart from that, the unemployment also affected the graduates and development of Malaysia where the criminal activities increased, graduates faced mental health issue and harm the family institutions. The findings also shows that serious actions from the government as well as the graduate itself need to be taken in order to reduce the issue of unemployment in Malaysia.

Keynote: unemployment, graduates, Malaysia

INTRODUCTION

In recent years, the issue of high unemployment rate among the Malaysian graduates has been a growing concern among the public. Every year, Malaysian universities, public or private higher institutions produced a large numbers of graduates but the percentages of the graduates acquire a job at the end of the day is surprisingly low. According to Malaysia Labour Force Survey, the unemployed include persons who were available for work but did not work during a reference period. They could either be actively looking for work or not during the said period (Ismail, 2011).

According to Law (2018), there are about six out of ten of those unemployed are below age 24. Every year, there are more than 250,000 students graduated, but one in five fresh graduates remain unemployed 6 months after graduation. Among of these fresh graduates with tertiary education, about 26% first degree holders are unemployed. Most unemployed fresh graduates are from Public Universities which is about 50% and 47% from Private Universities.

There are numerous factors contributing to unemployment among the fresh graduates in Malaysia. Firstly is because of the lacking of soft skills among graduates where the graduates fail to demonstrate a good working performance and they are poor in the aspect of employability skills. Second, it is because of the demanding attitude of graduates in choosing the right position where the graduates are unable to accept a position that is beneath their expectations. Lastly is because of the declining economic facing by Malaysia.

Upon the high rate of unemployment among the graduates, there are several effects that were detected indirectly. Firstly, unemployment could lead to criminal activities as the unemployed people have lost their support for living. Apart from that, mental health can also affected due to stress and pressures. Lastly, unemployment could also affected a marriage or family of the unemployed person as money and income are very significant.

Realizing the seriousness of this problem, few solutions must be taken immediately. First of all, the graduates must overcome themselves and change their attitudes to a good one because positive thinking and a good attitude will help them cope better under stressful

situations at work. Next, government should play their role by strengthening education and training. Lastly, the educational pattern should be completely changed.

As a conclusion, there are few factors that contributes to the high rate of unemployment among graduates in Malaysia and this problem will indirectly affected the graduates and development of Malaysia. Therefore, solutions must be taken immediately to prevent the rate from getting increase.

PROBLEM STATEMENT

According to Malaysia Labour Force Survey, the unemployed include persons who were available for work but did not work during a reference period. They could either be actively looking for work or not during the said period. Every year, Malaysian universities, public or private higher institutions produced a large number of graduates but the percentages of the graduates acquire a job at the end of the day is surprisingly low (Shamsuddin, 2013). This is due to the several factors that the graduates need to be aware of. For example, lacking of soft skills among graduates, demanding attitude in choosing the right position and declining economic facing by Malaysia. This problem somehow had affected the graduates and development of Malaysia where it could lead to the criminal activities as those unemployed people lost their power to financially support themselves for living (Ramli, 2018). Apart from that, unemployment in Malaysia also has affected the mental health. This is due to the stress and pressures as well as affected their self-esteem which arise the feeling of helplessness which leads to short lifespan (Azhar, n.d.). Lastly, graduates who had been married and had a family also been affected. This somehow could lead and cause them to divorce and hatred (Azhar, n.d.).

RESEARCH QUESTIONS

1. What are the factors that lead to the high rate of unemployment among graduates in Malaysia?

2. What are the effects of unemployment towards the graduates and development of Malaysia?
3. What are the solutions needed in order to reduce the unemployment rates among graduates?

RESEARCH OBJECTIVES

1. To review the factors in the high rate of unemployment among graduates.
2. To study the effects of unemployment towards the graduates and development of Malaysia.
3. To identify the solutions needed in order to overcome the unemployment problems.

LITERATURE REVIEW

Factors in the high rate of unemployment among graduates

- **Lack of skills among graduates**

First of all, lack of skills among the graduates is the factor that leads them to the failure to be employed. According to Schooley (2017), the employers are constantly searching for workers who have a lot of talent or skills and can perform as a multitasking person in doing their job to make sure that their company thrives. However, a study that was conducted by Central Bank of Malaysia reveal that compare to international students, the Malaysian graduates are weak in the aspect of the employability skills and do not show a good working performance. According to Ismail (2011), a good academic achievement is no longer a guarantee for the Malaysian graduates to get a better job. This is shown that if you do not have any skills, you still cannot guarantee to get a work that you want.

- **Demanding attitude among graduates**

Next, demanding attitude among graduates is also one of the factors that contribute to the ascending of unemployment rates. According to Balakrishnan (2017),

64% of graduates are too picky about the job or company that are offering them an interview or jobs. This is because youths are unable to accept a position that is beneath their expectations, therefore the period of unemployment will be lengthened as they continue to search for the 'right' job. This type of attitude is hurting the graduates and the economy of Malaysia and the ascending of unemployment rate would not seem to be settled if graduates keep on holding into their demanding attitude.

- **Unstable economic facing by Malaysia**

Lastly, factor that contribute to high rate of unemployment is the unstable economic facing by Malaysia. Getting employed in this challenging economic era is not easy compared to many years ago as the work structures had changed, technologies had advanced and human skills are competing with the new technologies. Most of the employer rather chose machines as their workers as they may decrease the inflation to serve to their workers. In other words, during economic recessions, companies would try to decrease their production volumes by decreasing the number of workforce in which high employment would be accompanied by low inflation (Munir, 2014).

Effects of unemployment towards the graduates and development of Malaysia

- **Criminal activities**

Firstly, the effects of inflations and Gross Domestic Product (GDP) in general price can be related to criminal activities as these people lost their power to financially support themselves for living (Ramli, 2018). In other words, this issue will threat the safety of Malaysian community as it will lead to crimes such as theft, robbery or burglary and abductor happen within the community. Hence, unemployed people who probably living in poverty tends to choose this path or option as their initiative to survive in this era especially with the unstable economy in Malaysia. According to Department of Statistics Malaysia (2018), 77 802 cases of property crimes were reported in Malaysia as 16 200 cases reported for house break-in and theft, 42 160 cases for vehicle theft, 239 for snatch and 19 203 cases for other theft cases.

- **Mental Health**

Besides, unemployment in Malaysia also has affected the mental health among the graduates in the process of their transition from university to the labour market. According to Lim (2010), the graduates know that upon completing their studies, they will enter into a phase of unemployment and their expectation towards the duration of unemployment might be different as they were thought to get a job within one to two months after finishing their studies. In other words, unemployment among graduates has caused them having depression due to the stress and pressures as well as affected their self-esteem which arise the feeling of helplessness which leads to short lifespan (Azhar, n.d).

- **Marriage or Family institution**

Lastly, unemployment among graduates who had been married and had a family also been affected as money and income is very important to pay debts, loan and mortgage. Plus, unemployment also create lower earnings that result the parents failed to pay their child tuition fees, school fees and basic necessity such as shelter, food and place to live which could leads and cause them to divorce and hatred (Azhar, n.d.). Therefore, unemployment among graduates has affected the development of Malaysia as its give a bad impact on the Malaysian safetiness, mental health and human relationship.

Solutions needed in order to overcome the unemployment problems

- **Graduates need to change their attitudes**

Firstly, in order to solve this issue, it is important for the graduates to overcome themselves and change their attitudes to a good one. This is because having positive thinking and good attitude will help their psychological well-being and help them to cope better under stressful situations at work. By displaying a good attitude, it will make an easier way to communicate and get along in the workplace. According to Che Omar (2016), attitude of graduates themselves have to think professionally and not being

negative about something. They as well need to improve their communication and soft skills because these two play a major role for the employer in selecting a worker. Furthermore, before applying for a job interview, it is important for the applicants to do a basic research regarding the company so that it would improve their professionalism.

- **Government must play their major role**

Moreover, as we all know, the unique position of government officials is that both of respect and trust. Therefore, government must play a major role in addressing this unemployment issue. One of the initiatives that have been done by the government before this to reduce the unemployment among the graduates is by strengthening education and training. For example, through the implementation of the 1 Malaysia Training Scheme or can be known as Skim Latihan 1 Malaysia (SL1M) when his first launched in 1 June 2011, (Shamsuddin, 2013). Generally, Skim Latihan 1Malaysia (SL1M) is designed to equip Malaysian graduates with the necessary skills and experience to thrive in the corporate world. The holistic programme includes intensive soft skills training to equip SL1M trainees with specific skill sets and understanding of the business before commencing their on-the-job training across the company. Therefore, this have proven that government actions is one of the solutions needed to overcome the unemployment problems among graduates in Malaysia.

- **The educational pattern must be changed**

Lastly, according to Mehta (n.d.), the educational pattern should be completely changed. Students who have liking for higher studies should be admitted in colleges and universities. Emphasis should be given on vocational education. Qualified engineers should start their own small units. According to Kamil (2019), for some, it might involve turning to vocational education to minimise the skills mismatch between graduates and what the labour force needs. A report in The Guardian noted that vocational education “tends to result in a faster transition into the workplace, and countries that have it at the core of the curriculum. For instance, Germany, Switzerland, Austria and the Netherlands have been successful in maintaining low youth unemployment rates. For example, Germany has enjoyed a relatively low youth unemployment rate by international standards, with reports suggesting that its dual

vocational education and training or combination of on-the-job training and part-time education has worked well for the country.

RESEARCH METHODOLOGY

Data Collection Strategy

- **In-depth interview**

In order to satisfy the objectives of the dissertation, the researcher decided to do an in-depth interview session to get an answer from our participants. According to Boyce (2006), in-depth interviewing is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation. Moreover, in-depth interview is about speaking to a specific person and grab his or her attention compared to in group. Therefore, the researchers will have an opportunity to ask specific questions during in-depth interview session.

- **Sampling**

The researcher used purposive sampling as their data collection strategies. According to Crossman (2018) and Abdul Rauf Ridzuan et al., (2015), a purposive sample is a non-probability sample that is selected based on characteristics of a population and the objective of the study. For instance, purposive sampling is also known as judgmental, selective, or subjective sampling. The researchers targeted six informants among employer from many different companies in Malaysia to be interviewed for this research.

Data Analysis

- **Thematic Analysis**

The researcher has applied one of a cluster of methods that focus on identifying patterned meaning across a dataset which is known as thematic analysis. According to Braun (2006), thematic analysis is a method for identifying, analysing and reporting patterns within data. The researchers have applied six clearly defined steps from

thematic analysis. Firstly, the researcher has familiarized with the entire data regarding the issue of unemployment among graduates. Next, the researchers had systematically code all of the data by highlighted as many potential codes and themes regarding the issue of unemployment among graduates as possible. Other than that, the researchers have been searching for a theme which is we focused on the broader level of themes and involves sorting the different codes into potential themes by using tables. Apart from that, the researchers reviewed the themes before defining and naming it. Lastly, the researchers produced the report with sufficient evidences (Ridzuan, Ridzuan and Ridzuan, 2018).

FINDINGS AND DISCUSSIONS

Factors in the high rate of unemployment among graduates

- **Lack of skills among graduates**

According to Puan Hairu Dalila, she stated that graduates often have low level of confident during the interview session where they could not answer the interviewers properly as well as tend to feel anxious when they are facing the interviewers. Meanwhile, Encik Hassan Azahari stated that most graduates failed to apply the theories they learnt during studying into the real world of working as they tend to learn because of examination. Overall, all informants agreed that lacking of soft skills among graduates has been the main factor of their unemployment where they focused more on achieving a good academic achievement than preparing themselves practically. This finding is also supported by Ismail (2011) where he stated that a good academic achievement is no longer a guarantee for the Malaysian graduates to get a better job.

- **Demanding attitude among graduates**

According to Encik Mohd Rejab, graduates used to expect a high amount of salary during their first work where they thought should be worth with their academic achievements. Meanwhile, Cik Tengku Nur Nabilla said that she was quite disagree with the statement saying that graduates are being too picky. She stated that the

graduates are not demand, they are just trying to find a position that could help lighten their burdens as well as support their life financially due to their livings or family members. Overall, most informants agreed that graduates are too demand where they are unable to accept a position that is beneath their expectations. Plus, this finding can be supported by Balakrishnan (2017), where 64% of graduates are too picky about the job or company that are offering them an interview or jobs. However, according to respondent

- **Unstable economic facing by Malaysia**

During the economic recessions, getting employed will be very challenging where human skills will be competing with the new technologies. According to Encik Kamarul Bahrim, he agreed that most companies especially the factories would rather to choose machines compared to human workforce where they could decrease the payment of workers and increase the volume of productions. Apart from that, the other informants agreed that the unstable economic has been one of the worrying issue that the government should be concerned off. This finding can be supported by Munir (2014), who stated that during economic recessions, companies would try to decrease their production volumes by decreasing the number of workforce in which high employment would be accompanied by low inflation.

- **Conclusion remark**

Based on the interview session, most informants stated that the graduates are lacking of soft skills. Therefore, the researchers can conclude that the main factors why the unemployment rate is high is actually because the graduates are lacking of soft skills where they focused more on academic achievement. Apart from that, demanding attitude among graduates and unstable economic facing by Malaysia are also the factors that contribute to the high rate of unemployment among graduates in Malaysia.

Effects of unemployment towards the graduates and development of Malaysia

- **Criminal activities**

According to Puan Hairu Dalila, jobless population in Malaysia will likely affect the occurrence of crime as the decrease in income and potential earnings

increases the relative returns to illegal activity such as theft, robbery or burglary and abductor happen within the community in Malaysia. Initially, the researcher found that all informants firmly agreed that the issue of unemployment has encouraged unemployed graduates to engage in crime as they tend to choose illegal activity in order to survive in this era. Besides, this finding can be supported by Ramli (2018), the effects of inflations and Gross Domestic Product (GDP) in general price can be related to criminal activities as these people lost their power to financially support themselves for living.

- **Mental Health**

According to Cik Tengku Nur Nabilla, she stated that being unemployed is not the only reason that could lead to the mental health issue where there can be other factors too. Plus, it is normal if the graduates faced mental health issue because of their love relationship which may sometimes led them to have a depression. Meanwhile, most of the informants agreed that mental health could be one of the possible effect of unemployment among graduates as most of the graduates will be under pressure within the process of their transition from university to the labor market where they hardly find job within the nearest time. This finding can also supported by Lim (2010) who stated that the graduates know that upon completing their studies, they will enter into a phase of unemployment and their expectation towards the duration of unemployment might be different as they were thought to get a job within one to two months after finishing their studies.

- **Marriage or Family institution**

According to Encik Mohd Rejab, he is partially agreed with the statement saying that unemployment can affect the marriage or family institution as he thought that the most reported divorce cases was because of no understanding between the couple which lead to quarrel and divorce. Apart from that, all informants found that financial crisis due to jobless or unemployed among graduates especially among married graduates has affected the marriage or family institution where all of the informants agreed that unemployed graduates hardly generate income and provide the basic for their family due to no fixed salary. Plus, this finding can be supported by Azhar (n.d.) who said that

the unemployment also create lower earnings that result the parents failed to pay their child tuition fees, school fees and basic necessity such as shelter, food and place to live which could leads and cause them to divorce and hatred.

- **Conclusion remark**

Based on our interview session, all of the informants firmly agreed that unemployment among graduates can lead to criminal activities as people tend to choose theft, robbery and burglary in order to survive their living day by day. However, some of the informants partially agreed that the unemployment can cause mental health and affect marriage and family institution as they thought there are many other factors for this issues.

4.3 Solutions needed in order to overcome the unemployment problems

- **Graduates need to change their attitudes**

According to one of the informants, Cik Tengku Nur Nabilla, she agreed that graduates need to changes their attitudes in order to avoid them from being unemployed. In addition, one of the informants who is Puan Nur Rasyidah also have a same point of view regarding this matter. She stated that, the behaviour of an employee played a huge role in maintaining a co-worker relationship other than maintaining their position at the office. Plus, this finding can be supported by Che Omar (2016) who said that the graduates need to improve their communication and soft skills because these two play a major role for the employer in selecting a worker.

- **Government must play their major roles**

According to one of the informant, Encik Mohd Rejab, he is agreed that the government should play a major role in addressing this unemployment issue because he believed that the government has a power to do so. This statement is also supported by one of the scholars, Shamsuddin (2013) who stated that through the implementation of the 1 Malaysia Training Scheme or can be known as Skim Latihan 1 Malaysia (SL1M) that was launched at 1 June 2011 by government was a very productive step in

order to reduce the unemployment issues among graduates. Moreover, according to Puan Hairu Dalila, she added that another initiative that can be done by the government is by reducing the retirement period among employees. With that, it could possibly reduce the high rates number of unemployment among graduates within a long period.

- **Educational pattern must be changed**

According to Encik Hassan Azahari, he is agreed that in order to reduce the high rates of an unemployment among graduates is by changing the educational pattern completely. In addition, this statement has been supported by one of the scholars, Mehta (n.d.) who stated that students who have liking for higher studies should be admitted in colleges and universities and emphasis should be given on vocational education. Moreover, one of the informants which is Encik Tengku Kamarul Bahrim also have a same point of view regarding this matter, in which by changing the educational pattern, it could possibly help to reduce the high rates of an unemployment among graduates.

- **Conclusion Remark**

Based on the interview session that has been held, most of the respondents were agreed that graduates need to change their attitudes in order to avoid them from being unemployed and. Therefore, the researchers can conclude that the most effective solutions in order to reduce the high rates of unemployment is by changing attitudes among graduates. Moreover, an initiative done by the government and changing educational system can also be the solutions to reduce the high rates of unemployment among graduates.

CONCLUSION & RECOMMENDATION

As a conclusion, lack of soft skills among graduates does led to the factor of unemployment in Malaysia where graduates lost their confidence in interview and working life. Apart from that, graduates must learn to accept any position opened for them even though the position could not completely support them financially. Plus, the unstable economic is quite worrying issue where the new technologies have took over the human workforce.

After that, there are few effects that had affected the graduates and development of Malaysia. Firstly, some of the graduates might influenced to do criminal activities because they need to survive themselves financially. Next, the unemployed graduates will tend to have mental health issues because of the depression they had of not getting any job in a certain period. Apart from that, a marriage or family institutions might affected as well as there will be no income that could support the family due to unemployment.

Therefore, few solutions must be taken especially from the graduates and government. Firstly, graduates must change their attitude in order to increase their soft skills. Then, the government must play their major role in reducing the unemployment issue by conducting training scheme and the educational system should also be changed in order to make it more suitable with the new era.

From the researcher point of view, the researcher would suggest that the policy of retirement age should be reduce from 60 years old to 55 years old where this initiative could somehow increase the rate of new workers and decrease the rate of unemployment. Apart from that, 55 years old is the most suitable age to get retired because during this phase the adults will tend to get tired easily and could expose to sickness.

Other than that, the policy of taking an employee who already has working experience should completely change. This policy seems not to be relevant because it could lead to high rate of unemployment. Fresh graduates lost their opportunities indirectly and caused them to have a hard time in finding their jobs. It was fine if the graduates does not have experience because somehow they will learn to improve themselves from the working experience.

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