

## **UNEMPLOYMENT AMONG GRADUATES: CHALLENGES AND EMPLOYERS NEEDS**

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### **ABSTRACT**

From year to year the number of graduates is increasing and competition for jobs becomes more intense. Imbalance in demand and supply of labor, thus increasing unemployment problem. This imbalance makes the employer took the opportunity to select employees who actually meet the characteristics wished. The best qualified candidates need to be defined so the candidates can prove his ability and skills during the process of getting job. If the past, graduates can make a degree as a passport to get a job but not now. Degree are no longer guarantees to get a job easily. Instead it requires hard work in preparing candidates and finding practical strategies to find a job. This research is to find out what exactly graduates need to have in order to be qualify for the job. Challenges for a graduates to get a job and the needs of employers against workers.

**Keywords:** graduates, unemployment, challenges, need of employers.

### **INTRODUCTION**

Nowadays unemployment and difficulties among graduates to obtaining employment is very worrying. It is a source of concern for a students who are still studying in learning institutions like university and college. The increase in the number of students who entered and out from university and college has added a pressure in competition for seek a jobs. The increase of government and private learning institution is a positive indication for a students and give a chances to them for getting a higher tertiary education. However, the increase of higher education is not an equal with the increase of job opportunities in market. This is frame higher education does not succeed in producing a workforce that matches the needs. This dilemma faced not only in developing countries such as Malaysia, Indonesia and Thailand, but also felt also by developed countries such as Britain and the United States (Ahmad Asrul ; 2009 )

Developed countries face the issue of unemployment among graduates. Growth of a country can be found if unemployment is low. The use of human resources are do not fully utilize for a

country with a high unemployment rate. The unemployment rate measures the percentage of a country's workforce who are seeking employment (number of persons unemployed / total labour force X 100%). For every 1% increase in the unemployment rate to fall significantly over the potential GDP of 2% (Mc Connel, Flynn and Brue; 2015). It can happens for short or long term. Natural processes when 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 (Omar and Rajoo; 2016). The economies of a developing country like Malaysia are directly connected with the rate of unemployment.

According to the Table 1, Principle Statistics of Labour Force Survey Report in Malaysia 2014 and 2015, Malaysia's labour force grew 1.8 per cent to 14.5 million persons in 2015 compared to the previous year. The rise is contributed by the increase of 215,100 employed persons (1.6%) to 14.1 million persons and the increase in the number of unemployed persons by 39200 persons (9.5 %) to 450.3 thousand persons. The labour force participation rate (LFPR) rose 0.3 percentage points in 2015 to 67.9 per cent. The unemployment rate during the same period increased from 2.9 per cent to 3.1 per cent.

**Table 1: Principal statistics of labour force, Malaysia, 2014<sup>r</sup> dan 2015**

Indicator		2014 <sup>r</sup>	2015	Change (%)
Labour force	('000)	14,263.6	14,518.0	1.8
Employed	('000)	13,852.6	14,067.7	1.6
Unemployed	('000)	411.1	450.3	9.5
Outside labour force	('000)	6,821.0	6,869.9	0.7
Labour force participation rate (LFPR)	(%)	67.6	67.9	0.3*
Unemployment rate	(%)	2.9	3.1	-0.2*

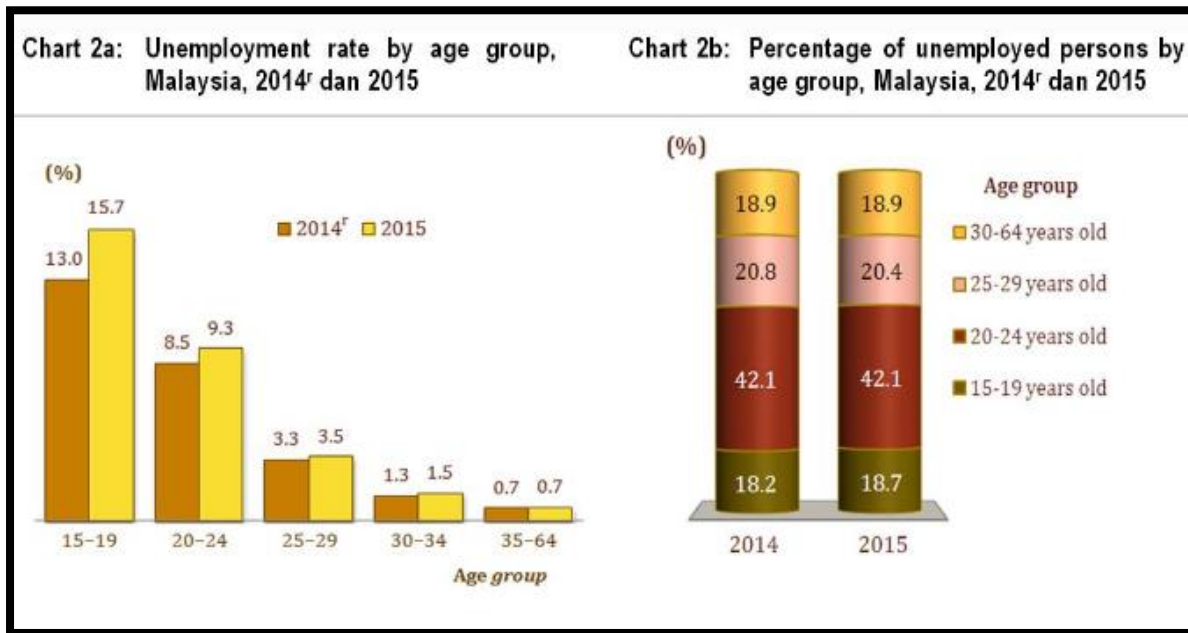
\* percentage points  
<sup>r</sup> Updated

*Sources – Department of Statistic Malaysia (2015)*

**UNEMPLOYMENT**

According to the survey by Department of statistic Malaysia in the chart 2a and 2b, High unemployment rate was recorded among the population aged 15-19 years that is 15.7 per cent in 2015 and followed by those aged 20-24 years with the rate of 9.3 per cent. However in terms of

percentage of unemployed persons, the largest contribution was youth age group of 20-24 years that is 42.1 per cent. It shows that unemployment are majority come from a youth.



*Sources – Department of Statistic Malaysia (2015)*

### **CHALLENGES FOR GRADUATES FIND A JOB**

Issues related to unemployment among graduates often spoken in the community. It can be considered as a failure of the high-level of education system in producing graduates who meet the needs and wants of the industry and market. Nowadays, a good academic achievement is no longer a guarantee for the Malaysia graduates to get a job (Noor Azina; 2011). It is a benefit for graduates but it is not a guarantee for them to be given jobs and it also does not show that the graduates are able to conduct the task given by the employers. Human capital that has a high knowledge and skills contributed to the increase of the country economic productivity. Beside, high investment in producing useful human capital is important as long as it give high and positive impacts to the economic productivity. Although many improvements have been implemented to strengthen the graduate level at universities, there are still many complaints submitted by employers about the quality of the graduates (Hazrul Ismail; 2012) .

Among the complaints that are often raised by employers is the weakness of the graduates and their soft skills (soft skills) such as communication skills, proficiency in English and so on. According to a study by the National Economic Action Council (NEAC), there are five factors that lead to graduate difficult to get a job is the lack of skills and work experience, the mismatch between the needs of industry and field of study graduates, lack the ability to communicate well,

especially in English, the negative attitude of some graduates to jobs and the lack of awareness about the existence of various jobs. The World Bank in a study of "Malaysia and the knowledge Economy: Building a World-Class Higher Education System" (2007) has identified three main factors that contribute to unemployment among graduates of demand and supply of graduates, the job search process and the skills mismatch.

Demand and supply of graduates, the number of unemployed was the difference between the number of people looking for jobs and number of jobs created in the economy to employ them. The phenomenon of unemployment in Malaysia nowadays is clearly due to the occurrence of an oversupply of graduates than jobs available for them. This is due to the significant expansion in the offer of graduates of higher learning institutions both public and private. Secondly is skills mismatch, the unemployment rate of graduates due to the occurrence of a mismatch between the skills specifically required in the labour market with the quality of education and training provided by institutions of higher education institution. Skills mismatch can also arise from weaknesses by educational institutions in the delivery of quality education and academic program that is not enough for students to prepare themselves with the skills to market needs. This is because in the work sector there have a lot of practical and soft skills compared to what graduates are learn at university or college. Thirdly is, job search process, for graduates and other highly educated group, the transition from school to the working world is a time consuming process in which new workers will find a matching suitable jobs. They will find jobs that make full use of the training they have received. They depend on many factors such as the pace of economic growth. Individual and family priorities was also the cause of graduates are remain unemployed to find suitable employment, and they are willing to wait to get a high-status positions in the public sector.

### **FACTORS AFFECTING THE GRADUATES TO GET A JOB**

Graduates is one of the critical agenda project (CAP) of the National Higher Education Strategic Plan (PSPTN) and become one of the Key Result Areas (KRA) of the Ministry of Higher Education. Graduates still difficult issue resolved because there is a big gap between graduates and the industry. This is often raised in my meetings with the private sector and state-owned companies (GLCs) and it requires a proactive approach in handling it. "GLCs and private companies cannot find university graduates who are able to adapt to the working environment without having to go through follow-up training. This something that we need to trade and settle, "(Khairy Jamaluddin, 2013).

According to the director of Malaysian Employers Federation, Shamsuddin (2015), among the causes of the identified cause of graduates still fail to get a job due to their weakness in English and have less attractive appearance. Experience during their studies in institutions involving

graduates and their experience in overall curriculum content, exposure to careers, the quality of study, soft skills and knowledge gained from the study. The more experience graduates have during their study, the higher the chances for graduates to getting a job. But, nowadays many company want to hire their employees with requirement of one year working experiences, 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 experiences important to facilitate the work (Omar and Rajoo; 2016). Other factors contributed to unemployment among graduates are because graduates are to choosing a work. 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. In addition, lack of industry training provided by the education institutions in collaboration with companies does not help the graduates to face the challenges of the industry. Previous study on industrial found out that event though mainly employer satisfied with the performance of students but there are some areas need improvement. Gunadevi K. Jeevi Subramaniam and Raja Nor Safinas Raja Harun (2013) revealed that employers found that the internship' students lacking in public speaking in particular when dealing with customers and they put emphasis on the importance of communicating with customers in english. Nurliana M.A (2013) study on pharmacy students, found out that 82% of student's performance is excellent during industrial training but still need improvement on entrepreneurial and managerial skills.

Finally, Nor'Aini Yusof, et al (2013) study on 179 employers, indicated a satisfactory level of students' performance during the training. Most employers were willing to recruit the students in future. Technical skills were ranked as needing the most improvement by students. In summary, past research has viewed industrial training as a positive developmental experience for university students and proved with some favourable outcomes as improved ability to secure a career-oriented position. Previous study also shows that still many areas need to improve in order to increase the student's employment opportunity.

The research conducted by Job Street (2015) about why unemployment occurred among graduates are divided into two opinion. Firstly, from opinion of employer's and secondly from opinion of fresh graduate's themselves. Employer's said graduates are asking and demand for unrealistic salary or benefit without having a working experienced, have a poor characteristic, attitude or personality, poor command of English language, poor communication skills and to choosy about the job or company. On fresh graduate's opinion, they actually are involve in stiff

competition but lacking of certain required skills and poor command of english language. In a related survey of executive salaries in 2010 conducted by malaysian employers federation (MEF), found 68% of companies give priority to the ability to communicate in english as a quality which is very important when a job application (Daily News Online, 2011). Dato Seri Najib Tun Abdul Razak during the presentation of malaysia budget for 2015 wants admission of students to universities should be based on the results MUET (Malaysian University Bahasa Inggeris Test) for graduation. Beside, their communication and soft skills also are poor, they also do not know about mandarin and tamil language because there are certain private company really want to hire a candidate with special skills such as know how to speak in other languages.

A research study conducted by Kamsuriah Ahmad and Noor Faridatul Ainun Zainal (2012) aims to measure the effectiveness of the programs offered by the faculty in meeting the needs of industry and the ability of graduates in the job market found that graduates who are competitive in the job market, which often depends on the curriculum of the program of study. Structuring a comprehensive curriculum is important to the academic program. The effectiveness of this program are assessed based on students' perceptions on learning outcomes associated with the program they studied and their ability to work based on the knowledge they have. The study found a significant correlation between the programs they take on faculty with the marketability of skills. Graduates are competing among themselves to meet the job market in various sectors. Due to the number of jobs available is limited, so many graduates end up being unemployed or working outside the qualification. Thus the structure to complete the program is very important in shaping the graduates to ensure their competence in the job market. Universities need to check whether the programs offered in the faculty seeks to provide a complete knowledge of the graduates.

### **EMPLOYER PERSPECTIVE TOWARS GRADUATES EMPLOYABILITY**

From the study conducted by Muhammad Hazrul Ismail (2012) about a survey of employer perspective toward graduates in Malaysia shows that there is a gap between the actual performances of graduates with employers' expectations, with the marketability characteristics make decisions and problem solving is a feature that had the largest gap. This means that graduates in the employers eye is still weak in considering the validity and consider other alternatives before making a decision, the less responsible for the actions and decisions taken and less adept at predicting potential problems exist in the future.

In addition, employers also consider that graduates are lacking in terms of thinking skills such as intelligent skills on search for other alternatives to improve organizational performance and interpersonal communication skills and valuable insights as to convince others. The study recorded the lowest gap is ICT (Information Technology) covering skills such as processing data

using Microsoft Excel, the ability to find information related to the task through the internet, the ability to present information such as audio visual power point and use skills such as word processing Microsoft Word. In the selection of candidates, employers give priority to graduate who are majoring in banking, engineering and communications. Meanwhile, Islamic studies, education and computer technology will have a demand throughout the year. In terms of the criteria for selecting candidate, employers laid aspects of individuality and personality as the most important criteria. In consideration for the post in the Organization and followed with self-confidence and appearance. In this study, employers were found to give a priority to local and private institutions to select their workers.

### **ATTRIBUTES EMPLOYER WANT TO SEE ON NEW COLLEGE GRADUATES**

According to National Association of College and Employers (2016) jobs outlook survey towards what employers look when they seeking new college graduates to take on jobs is, they are looking for leaders who can work as part of a team. Employers also cited written communication skills, problem-solving skills, verbal communication skills, and a strong work ethic as important candidate attributes. In addition, while academic major has the most significant influence on an employer's decision to hire one candidate over another, leadership roles, participation in extracurricular activities, and a high GPA are key factors.

Written communication skills contain a correct grammar, punctuation and spelling. The reader will form an opinion of you, the author, based on both the content and presentation, and errors are likely to lead them to form a negative impression. Problem-solving skills is the process of working through details of a problem to reach a solution. It may include mathematical or systematic operations and can be a gauge of an individual's critical thinking skills. Verbal communication skills is the sharing of information between individuals by using speech. Individuals working within a business need to effectively use verbal communication that employs readily understood spoken words, as well as ensuring that the enunciation, stress and tone of voice with which the words are expressed is appropriate.

According to the research conducted by manpower incorporation (2008), employers today look and evaluate candidates who can meet the criteria such as have an integrity and honesty which is integrity is one of the fundamental values that employers seek in the employees that they hire. It is the hallmark of a person who demonstrates sound moral and ethical principles at work. A person who has integrity lives his or her values in relationships with co-workers, customers, and stakeholders (susan,2016) .Beside, employees are able to work and provide the best quality and service for company or customer, they prepared their self with full of skills on how to deal with customers such as patience when deal with fussy customers, clear communication skills which they are be able to communicate effectively and can ensure the company's customer satisfaction

at the best level, knowledge of the products, they really know what their company offer and sell to market. They can answer customer question when customer want to know detail about the products. Beside, ability to use positive language is an important for employee when communicate with other either their colleague or customers and they should have a maximum of highly motivated and able to work without relying to others, because this attitude will show the level of independent they have.

The finding of study conducted by Zaliza Hanapi and Mohd Safarin Nordin (2013) about unemployment among Malaysia graduates shows that the majority of the respondents agreed that graduates 'attributes, lecturers' competency and the quality of education, which is referred to the curriculum of a study field, are factors that contribute to the unemployment problem among Malaysian graduates attributes are the quality or skills that need to be gained by the graduates and need to be developed by the graduates when they are at the higher educational institutions. Qualities acquired by the graduates prepare them for their future undertakings (Bowden et al. 2000).

For graduates' attributes, the focus is channelled on two types of skill, which are technical and employability skills. Technical skill is an important aspect that should be mastered by graduates, as it is the core that enables the graduates to get jobs. While employability skill refers to the quality and personal insight, in which a graduate should have. This is to help with the marketability of the graduate and to help the graduate to become a competence and competitive worker. Beside, Quality of graduates is depending on the lecturer's competency (Ismail, 2012). It include the reference materials that are used and a conducive environment (infrastructure, socialization, location and others) that contribute towards the development of a good personality and an excellent academic achievement. The task of lecturers is important, as they are required to educate the graduates to become excellent human capitals, which will serve and develop the economy of a country.

The quality of education is depending on the quality of teaching and learning process, educational facilities and infrastructures, well-planned curriculum and an effective implementation of the curriculum (Thete, 2003). Higher education is considered a key to graduates' career development. The increasing number of the public and private educational institutions in Malaysia results to a competition among the educational institutions and the increase of unemployed graduates. Bracey (2006) stated that it is difficult to know the suitable skills required by employers in the industry. Therefore, the employer should cooperate with the educational institution parties in providing information related to the educational world.



## **GRADUATES NEED TO HAVE A WORK ETHIC TO BE A GOOD WORKER**

Employers complain that graduates do not have soft skills such as work ethic, verbal and nonverbal communication, attendance, interview abilities, and positive attitude. When asking business educators' perceptions of the importance of specific soft skills for success in today's workplace (Mitchell; 2010) found ethics and general communication skills as extremely important. Graduate need to have seven key components of a rock-solid work ethic to be a good worker (Jacqueline Whitmore, 2011).

Firstly is professionalism, it's involves everything from how worker dress and present their self in the working places and the way they treat others. Professionalism is such a broad category, in fact, that it basically encompasses all the other elements of a strong work ethic. Secondly is respectfulness which is the worker can display grace under pressure, no matter how tight the deadline or heated the tempers, they always remain poised and diplomatic. Whether they serving a customer, meeting with a client or collaborating with colleagues, they will do the best to respect everyone's opinions, especially under trying circumstances. This is shows the value people's individual worth as well as their professional contributions.

Thirdly is dependability, the worker can be relied on to keep their promises. They always on time in prepared for meetings, and deliver the work on schedule and on budget. Reputation for reliability precedes them because they have to prove over time to the customers, clients and colleagues to make customer trust them. Fourthly is dedication, the worker are not stop until the job done and good enough for company. The aim is "outstanding" in everything they do. They can put extra hours to get things right, giving attention to detail and devotion to excellence. The passion shows in how hard they can work and the result they will achieve. Fifthly is determination, which is they don't let obstacles stop them, they know how to solve problems, and continually seek better and more innovative answers. With purpose and resilience, they push ahead, no matter how far they have to go.

Sixthly is accountability, a good workers can take personal responsibility for their actions and outcomes in every situation, and avoid making excuses when things don't go as planned. They admit their mistakes and use them as learning experiences so they won't make the same ones again. Lastly is humility, they acknowledge everyone's contributions, and freely share credit for accomplishments. They show gratitude and appreciation to colleagues and team for work hard. They have integrity in spades, and are open to learning from others.

## **CONCLUSION**

In conclusion, Graduates should be prepare with a variety of skills to get a job. English language is very important for graduates to enter into workforce because this language is a main language

and be the world lingua franca that involving social cross cultural communication. Beside, employers also cited written communication skills, problem-solving skills, verbal communication skills, and a strong work ethic as important for candidate attributes. While, academic major has the most significant influence on an employer's decision to hire one candidate over another. Beside that, leadership roles, participation in extracurricular activities, and a high GPA are key factors are as important for graduates to enter into a workforce and need to gain the skills when they are still study. In addition, employers nowadays are seek for worker that can be work as a team. Graduates need to have a thinking skills such as intelligent search for alternatives to improve organizational performance, interpersonal communication skills and valuable insights as to convince others.

ICT skills (Information Technology) skills including use of data processing such as Microsoft Excel, the ability to find information related to the task through the internet, the ability to present the information to the audio-visual such as Power Point and ability to use word processing like Microsoft Word is important to learn by graduates. This skills will be use in working place. In terms of the selection criteria for potential graduates, employers laid aspects of individuality and personality as the most important criteria in consideration to fill positions in their organization, followed by self-confidence and appearance. Graduates also need to have a work ethic to be a good worker, ethics such as professionalism, respectfulness, dependability, dedication, determination, accountability and humility are show an attitude of employee which will be different from others. Pang (2011) mentioned that there are three primary strategies to construct an integrated human workforce. Firstly, restructuring the educational system in order to increase the students' achievements. Secondly, increasing the graduates' skills in order to increase the marketability of the graduates and lastly, restructuring the labour market system in order to develop Malaysia as a high-income nation.

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