For new grads, job market is less than rosy

By Melissa Darlyne Chow - April 22, 2019 7:30 AM

PETALING JAYA: Unionists and Malaysian employers have challenged online jobs site’s relatively rosy picture of wages and employment in the country.

Jobstore.com said in a recent report that fresh jobs-seekers with an honours degree could expect an average monthly salary of RM2,635, compared to RM2,482 last year. It predicted that employers would hire more people this year.

However the report was challenged by J Solomon, general-secretary of the Malaysian Trades Union Congress, and by Shamsuddin Bardan, executive director of the Malaysian Employers’ Federation.

Solomon said salaries had stagnated. He forecast a slow increase in employment from new mega projects by the government. However Shamsuddin said employers were cautious about adding workers and staff, pointing out a jobs freeze in the public sector and retrenchments of more than 10,000 private sector workers this year.

Shamsuddin believed that any hiring would probably be for workers on a contract basis.

Solomon said two studies had shown that wages were stagnant. One was by Khazanah Research Institute (KRI), while the other by recruitment firm Adecco Malaysia found that starting salaries of degree holders had remained the same over the past decade.

Fresh engineering graduates earned about RM2,800 a month, a finding that tallied with data gathered by KRI, Solomon said.

He said RM3,500 would be a fair basic salary for graduates.

Solomon told FMT that the outlook for the job market remained positive, as the economy remained resilient amid volatility in global financial markets.
Most job vacancies comprised low-skilled jobs: last year, 77.6% of vacancies were for elementary occupations, 11.8% for production operators, and the remaining 10.6% were for medium and high-skilled jobs.

He said: "Prior to the global financial crisis of 2009, job vacancies for low-skilled jobs were less than 50%. In 2005, elementary occupations and operators constituted 30.9% and 15.4% of job vacancies respectively. High-skilled jobs such as senior officials, professionals and technicians were at 19.8% in 2005 against 4.2% in 2018.

"For every 100 jobs offered in 2018, 89 opportunities were for low-skilled, seven for medium-skilled and four for high-skilled workers. This is expected to remain in the short-term, until the mega projects pick up steam."

The government recently decided to revive the RM44 billion East Coast Rail Link project and the Bandar Malaysia project, while the Penang state government expects to carry out reclamation of three islands in the Penang South Reclamation project.

Solomon said there would be a slow and steady pickup in employment opportunities.

He said the ECRL would boost the economy, open up new areas for potential development and new small businesses, while tourism could flourish. Bandar Malaysia would draw major international financial institutions, multinational corporations and Fortune 500 companies.

However Shamsuddin disagreed with the Jojobore forecast. "Generally (employers) will not be hiring more. Instead, many employers have been retrenching. Up to March 19, about 10,200 employees have already been retrenched."

He said the public sector, which used to absorb 10% of the new job seekers, had put a freeze on new hires, except for critical positions such as doctors, dentists and pharmacists. "Even then, the new hires are put on fixed-term contracts," he told FMT.

New graduates may not be attracted to contract jobs which lack security of tenure, but employers could not afford to offer permanent employment as the market remained volatile, he said "They are uncertain about the sustainability of their businesses."

Marketing and sales personnel were still being hired but fresh graduates were not keen on such jobs where incomes rely mainly on commission earnings.