



HRDF HUMAN CAPITAL REPORT

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FUTURE OF JOBS IN MALAYSIA



The waves of technological advancement from Agriculture to Electronics, Manufacturing and Services have resulted in increased productivity and new jobs. Further, certain jobs will be displaced due to the advent of the Fourth Industrial Revolution (IR 4.0).

Labour Demand for the Second Quarter of 2018

The number of labour demand in the private sectors has grown by **0.3%** year-on-year.

Q2 (2017)
8,449,000

Q2 (2018)
8,474,000



Filled positions
8,274,000



Vacancies
200,000



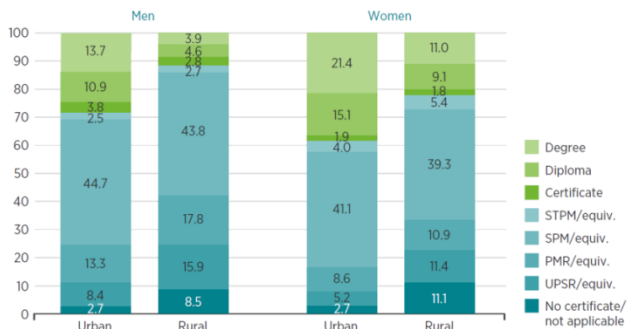
Jobs created
27,000

Source: Employment Statistics Second Quarter 2018, Department of Statistics Malaysia, 2018

QUICK TAKEAWAYS AND HIGHLIGHTS

It is crucial to have insights on what the future of jobs are in order to avoid structural unemployment which refers to a mismatch between the jobs available and the skills level of the unemployed.

Malaysian Labour Force Education Profile, by Gender and Urban/Rural, 2017 (%)



Source: Khazanah Research Institute, 2018

According to the Report of The Future of Talent in Malaysia 2035 by Chartered Institute of Personnel and Development (CIPD) (2019), based on the Malaysian Labour Force index, urban areas and women have higher proportions of educated labour force compared to those in rural areas and men.

This study highlighted that lower-quality education specifically reduces the quality of talent and undermines Malaysia's capacity to advance and compete globally.

Small and Medium Enterprises (SMEs) are embracing digitalisation for e-commerce. With extremely high rates of mobile usage and nearly three quarters of the population engaged on social media, it is unsurprising that Malaysia has been a particularly early adopter of e-commerce.

Source: Statista: Active social media users as percentage of the total population in Malaysia from 2016 to 2018, LinkedIn Emerging Jobs Report Malaysia

In relation to this, the disconnection between the education syllabus and actual skills required by the industry, creating talent skill gaps.

In times of rapid change in the talent market, job titles should no longer become the only focus for career paths, instead we need to consider the skills gained and developed including the IR4.0 and digitalisation.

Increasing Demand in Digital Talent

Organisations are looking for a diverse range of digital talent in view of technological developments and its high adoption rate. In 2017, **7%** of Malaysia's GDP was from digital products, which is expected to **grow more than six (6) times by 2021**.

Source: Microsoft, Digital Transformation to Contribute US\$10 Billion to Malaysia GDP by 2021

45% of Malaysia's income will be derived from digital products and services and digital transformation will contribute RM41 billion to the country's economy by 2021.

Source: Microsoft: Digital Transformation to Contribute US\$10 Billion to Malaysia GDP by 2021.

Top Three (3) Highest Supply of Digital Talent in Malaysia

- Selangor
- WP Kuala Lumpur
- Penang

Supply of Digital Talent is Higher in Demand

-
- Sarawak
-
- Kedah

In Malaysia, digitally skilled professionals are progressively being hired, even across more traditional sectors such as agriculture and manufacturing. They are starting to use digital tools such as sensors and technologies in the pillar of Internet of Things (IoT) to capture data for quality control.

Source: New Strait Times: Malaysia's stats department world's first to have certified data scientists

Top 10 Growth Industries in Digitally Skilled Hires*

Agriculture	13%
Media & Communications	9%
Manufacturing	8%
Finance	8%
Real Estate	8%
Energy & Mining	7%
Corporate Services	5%
Health Care	5%
Nonprofit	5%
Hardware & Networking	4%

Source: LinkedIn Emerging Jobs Report Malaysia, 2018

Manufacturing of Electricals & Electronics industry provided almost **800,000** jobs in Malaysia in 2018.

Source: World Bank: Malaysia's Digital Economy

FUTURE OF JOBS IN MALAYSIA



Based on LinkedIn Emerging Jobs Report Malaysia 2018, the **top five (5) 'emerging jobs'** which has the largest growth in frequency over a five year period (2013-2017) were identified based on LinkedIn members in Malaysia who included work experience on their profiles.

1. Data Scientist



Growing in demand as more organisations look to understand and interpret the large amount of data they are creating and collecting which will benefit companies to innovate with data and build Malaysia into a global hub for data analytics and talent.

Source: *The Edge Markets: Econ 4.0: How big is big data?*

2. Full Stack Engineer



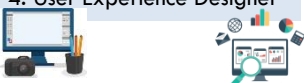
Run a digitalisation project from beginning to end, on a technical level, as well as from a project management perspective. A combination of front-and back-end web and application development.

3. Drive Test Engineer



Drive testing is used by telecommunication networks to monitor and improve coverage and capacity of their networks.

4. User Experience Designer



UX Designers are helping Malaysian businesses ensure that customers enjoy a seamless user experience when using their products and services online.

5. Content Writer



In Malaysia, many Content Writers are coming out of journalism and publishing because they're able to tell a compelling story that resonates with their readers. They understand audiences, have excellent social media skills and know the importance of creating a narrative.

LinkedIn's Emerging Jobs Report indicates that Malaysian talent is already responding to these trends, with four (4) out of five (5) emerging jobs being technology-related.

The World Economic Forum (2016) highlighted global demographic and socioeconomic drivers of change contributing to the Fourth Industrial Revolution which include:

<p>changing workplace</p>	<p>reorganisation of work relations to engender employees</p>	<p>virtual teams, technology and desire to work remotely</p>	<p>growing middle class in emerging markets</p>	<p>impact of climate change, natural resource constraints and decarbonisation/ greener models of development</p>
<p>rising or at least persistent and intractable geopolitical risks</p>	<p>growing consumer concerns and activism on ethical and privacy issues</p>	<p>rapid ageing of the population in more developed regions and rapid population growth in emerging countries</p>	<p>rise of women's power and aspirations all over the world</p>	<p>urbanisation and the rise of mega-cities</p>

Hybrid is the new demand

Being a specialist with specific skillsets may have been sufficient in the past. However, nowadays we need to consistently up-skill, re-skill and develop skills set to stay competitive.

It is the blending of hard and soft skills that would make a skill more meaningful and desirable. Therefore, training investment is vital for organisations to become more effective and it will also improve the employer's brand and helps with retention.

Top 5 Softskills that Companies Need Most in 2019



Source: LinkedIn Learning, 2019

QUICK TAKEAWAYS AND HIGHLIGHTS

Malaysia wants to nurture more than double its 8,000 Big Data professionals to **20,000 by 2020**.

- MDEC: *Malaysia continues to groom data professionals*

The industry has also invested in growing the digital talent pool. For example, SAS worked with Malaysia's Statistics Department to certify its talent as Data Scientists.

- *New Straits Times: Prepping the digital talent*

Key Takeaways for HRDF (HRDF can play a role by)

Encourage registered employers to invest in up-skilling employees in the current critical and future high demand areas in ensuring Malaysia's status as sector leader and innovator.

Create and plan initiatives towards digitalisation and IR4.0 to provide the employers with sufficient digital skills such as SME Digitalisation, IndRev4.

Adopt more employee-centric models, for example by benchmarking SkillsFuture create in Singapore, to ensure that employees can keep up with the times and needs.

Enforce hybrid trainings in all programmes registered with HRDF to ensure quality of both technical and softskills (application).

It's about soft and hard skills: Foundational or adjacent hard skills are table stakes, but no matter how technical the role, it's the soft skills that will show you who's good versus great. Source: *LinkedIn Emerging Jobs Report Malaysia*



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