

Towards a skilled workforce

IN the journey towards digitalisation post-Covid-19, there is an urgent need to beef up the skills of the local workforce. To reduce the risk workers face of being displaced by automation, they need to be provided with suitable education.

According to international management consultancy McKinsey & Co, approximately 50% of work time in Malaysia is spent on routine activities which are likely to be automated; examples include work done by payroll officers, legal support workers, production workers and machine operators.

The company also estimates that automation can displace up to 25% of the hours filled by such roles, and this is equivalent to 4.5 million workers in the country by 2030.

McKinsey also noted that automation can create new opportunities; however, an automation-driven labour demand comes with a requirement of advanced skill sets. Hence, the workforce needs an upgrade to move up the high-skill value chain.

How skilled are Malaysian workers currently? There are:

> 1,862,500 low-skilled workers comprising 12.4% of total employment;

> 9,059,000 semi-skilled workers comprising 60.1% of total employment;

> 4,151,900 high-skilled workers comprising 27.5% of total employment.

In total, the share of low- and semi-skilled workers accounts for 72.5% of total employment, higher than the share of high-skilled workers.

In terms of education level, workers with a secondary level



Photo: MOE

education comprise the largest share of total employment at 55.6%, followed by those with a tertiary education at 29.4%, primary at 12.1% and no formal education at 2.9%.

Another indicator that can be looked into are recent Programme for International Student Assessment (Pisa) scores of 15-year-olds.

For Mathematics and Science subjects, Malaysia's Pisa scores are below OECD (Organisation for Economic Cooperation and Development) averages at 440 and 438 respectively, and far behind scores of students in high-income economies such as China, Japan,

Singapore and South Korea.

The share of students choosing Science, Technology, Engineering and Mathematics (STEM) in schools also dropped to 44% in 2018 from 48% in 2012.

Also, SMEs (small- and medium-sized enterprises) have noted that skilled digital talent is one of the main components required to drive digital transitions but digital adoption is sluggish because of the lack of such skills in the workforce.

So in realising Malaysia 5.0 – using Fourth Industrial Revolution (4IR) technologies to solve society's challenges and problems – what can be done to address these gaps?

The enrolment in technical and vocational education and training (TVET) programmes offered by participating ministries and agencies should be actively promoted and placed within mainstream education.

To encourage participation, a change in mindset needs to be undertaken extensively by changing social perceptions towards TVET programmes that are currently seen as a less prestigious choice of study. Society needs to see such programmes as a valuable platform to generate a high-skilled labour force.

A good yardstick to measure whether these efforts at changing mindsets are successful is when employers are happy enough with the performance of high-skilled TVET graduates to retain them with good pay rises.

A similar approach of mindset change needs to be pursued for STEM learning.

This would be in line with the objectives of the Malaysia Education Blueprint 2013-2025 to tackle the lack of interest in these subjects among students.

These education-oriented measures should be key drivers in producing high-skilled talent and one of the major walls that we have to break through to get to Malaysia 5.0, while realising one of the targets of the Shared Prosperity Vision 2030: a workforce comprising 35% of high-skilled workers.

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