

# **REVOLUTIONIZING EMPLOYMENT SERVICES IN MALAYSIA**

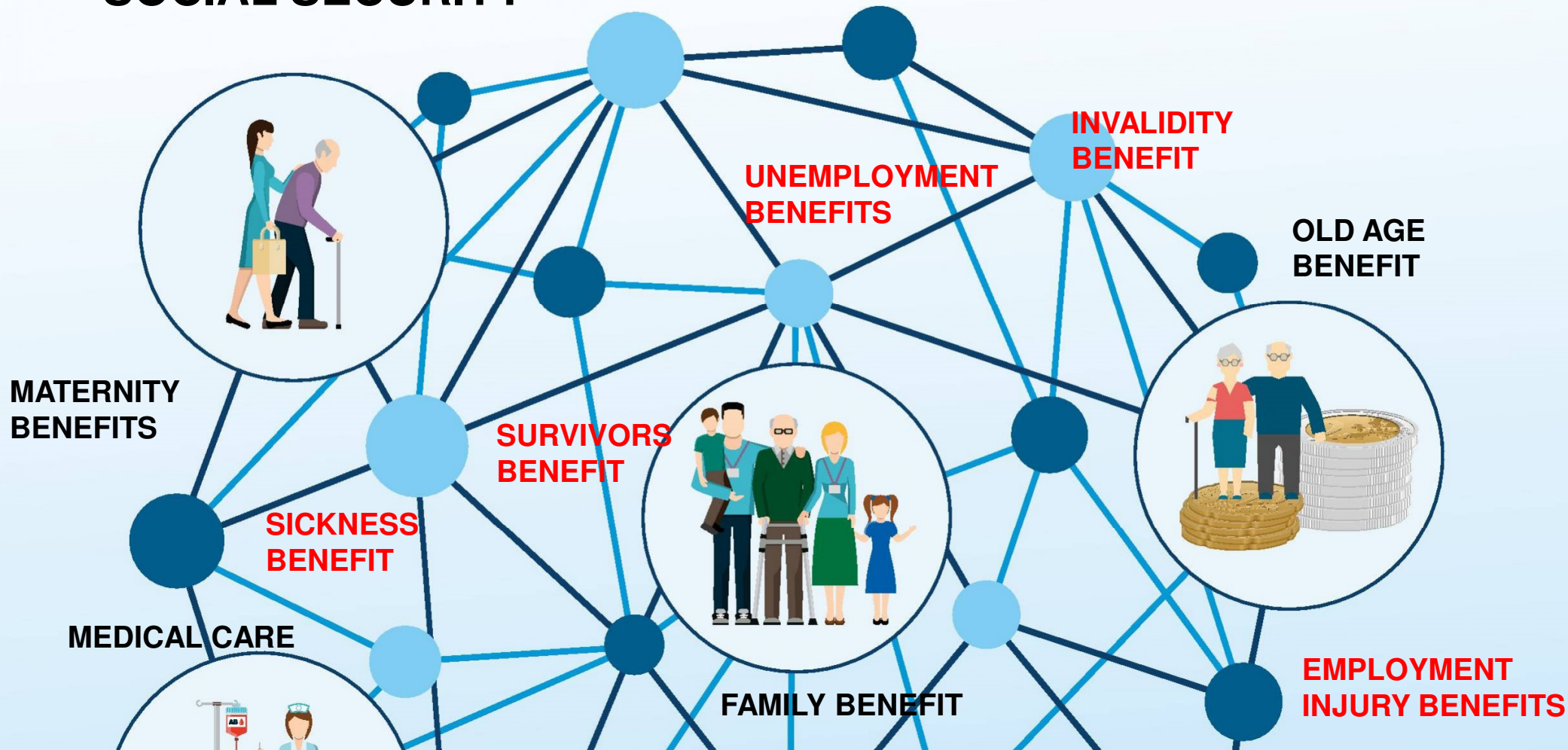
**Dato' Sri Dr. Mohammed Azman bin Dato' Aziz Mohammed  
CEO, SOCSO MALAYSIA**



# AGENDA

- SOCIAL SECURITY LANDSCAPE OF EMPLOYMENT SERVICES
- ISSUES & CHALLENGES : WIDENING EMPLOYMENT GAPS
- COMPARING THE INTERNATIONAL AND MALAYSIAN EMPLOYMENT SERVICES FRAMEWORK
- REVOLUTIONIZING EMPLOYMENT SERVICES IN MALAYSIA
- WAY FORWARD

# INTERNATIONAL LABOUR STANDARDS ON SOCIAL SECURITY





# EXERCISING SOCIAL PROTECTION THROUGH UNEMPLOYMENT BENEFITS

“The Organization may, in addition to the scheme of benefits specified in this Act, promote measures or co-operate with existing institutions for the improvement of the health, occupational safety and welfare of insured persons and for the rehabilitation and **re-employment** of insured persons who have been disabled or injured and may incur in respect of such measures expenditure from the funds of the Organization within such limits as may be prescribed by the Minister”

## **S.40 (1) Employees’ Social Security Act 1969**

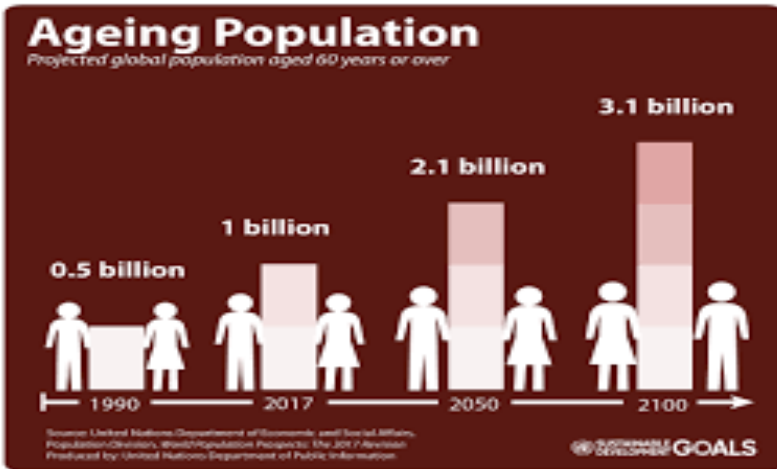
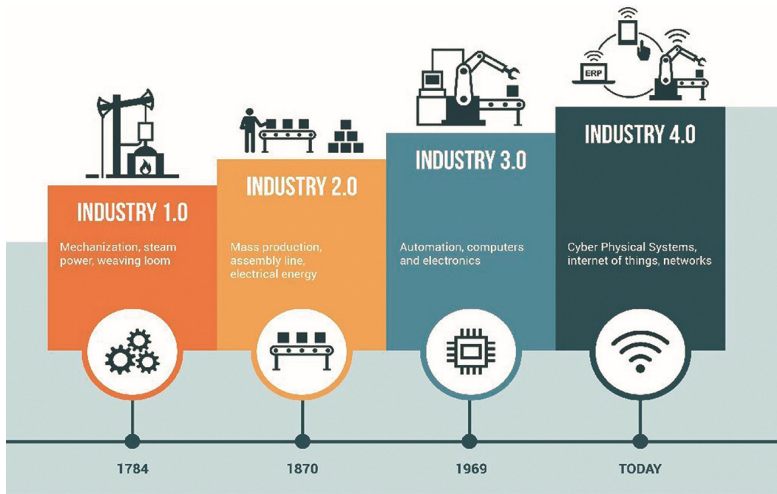
“Where an insured person makes a claim for benefit and the Organization has lost his employment, the insured person **shall commence participation in the Re-Employment Placement Programme**”

## **S.44 (1) Employment Insurance System Act 2017**





# WIDENING GAPS IN EMPLOYMENT





It is estimated that more than half of all current jobs in Malaysia are at high risk of being affected by automation in the next one to two decades. Four out of five of these jobs are semi-skilled. It is Malaysians who are most affected, not foreign workers – 90 per cent of all semi-skilled jobs are held by Malaysians.

#### Disappearing jobs:

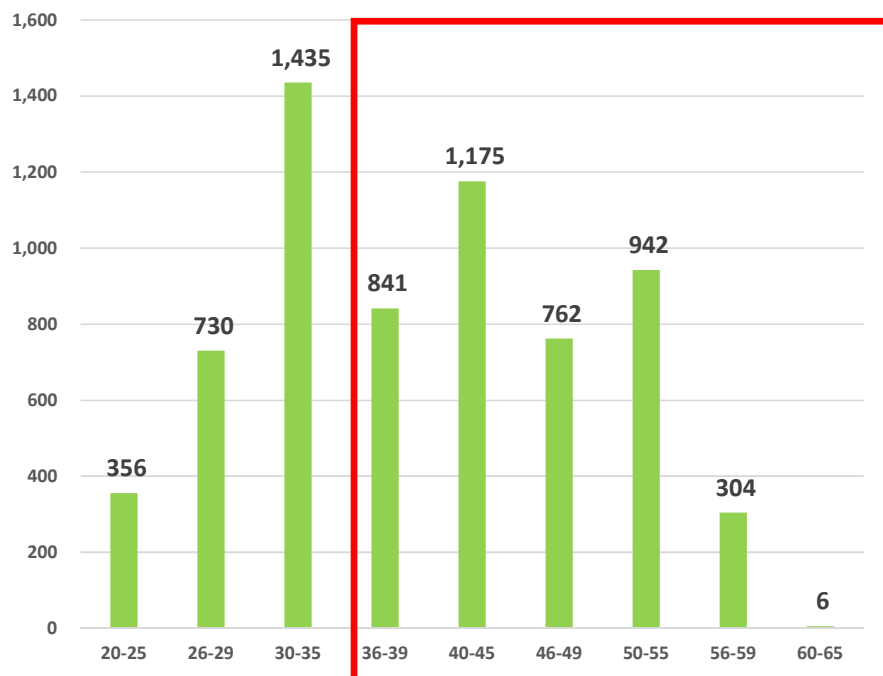
- ✗ Postal workers, Carriers and Clerks and administrative assistants
- ✗ Fast Food Cooks
- ✗ Agricultural Workers
- ✗ Data entry workers
- ✗ Door-to-door sales worker
- ✗ Food service managers
- ✗ Manufacturing workers
- ✗ Printing technicians
- ✗ Office Machine
- ✗ Petroleum Pump System Operators, Refinery Operators, and Gaugers
- ✗ Drivers
- ✗ Cashiers
- ✗ Travel agents
- ✗ Bank tellers Operators

#### 0.6% or 18 new jobs will be created annually:

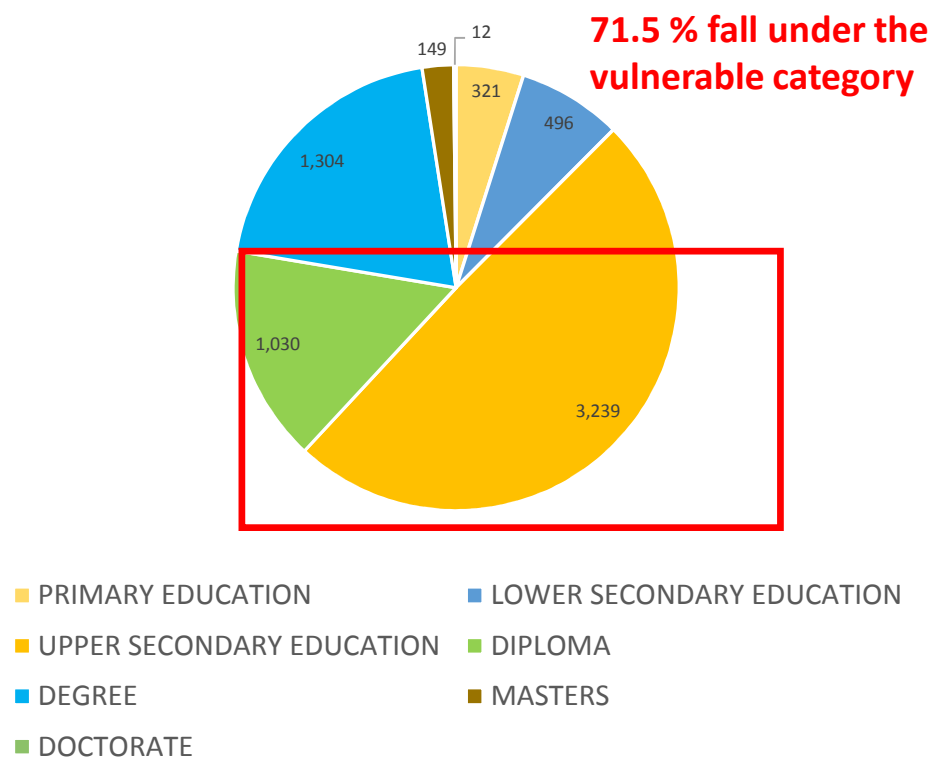
- ✓ E-hailing drivers
- ✓ Artificial Intelligent experts
- ✓ Career counsellors
- ✓ Taxonomy manager
- ✓ Data analyst
- ✓ Computer and mathematical jobs
- ✓ Architects and engineering
- ✓ Home nursing and caregiving
- ✓ Product designer
- ✓ Human resources specialist

# VULNERABILITY OF EIS CANDIDATES

AGE CATEGORY



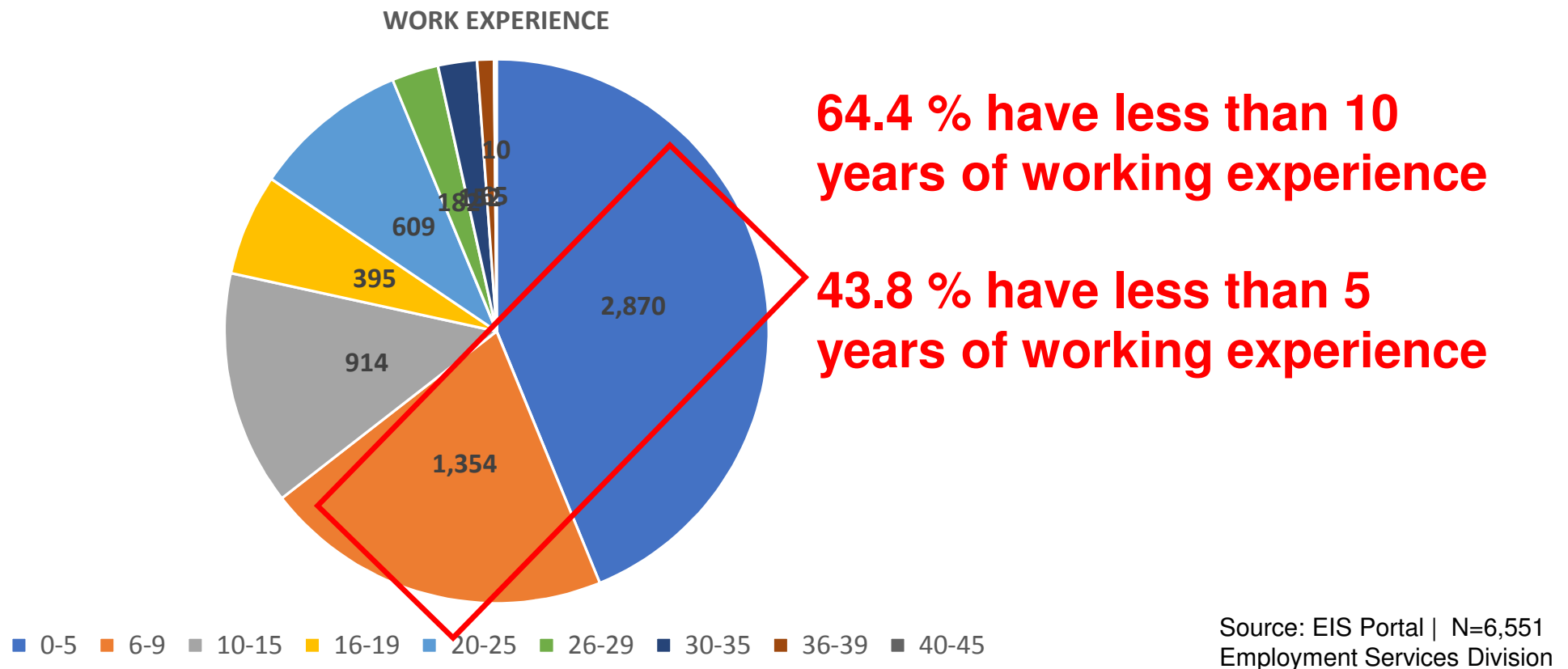
EDUCATION BACKGROUND



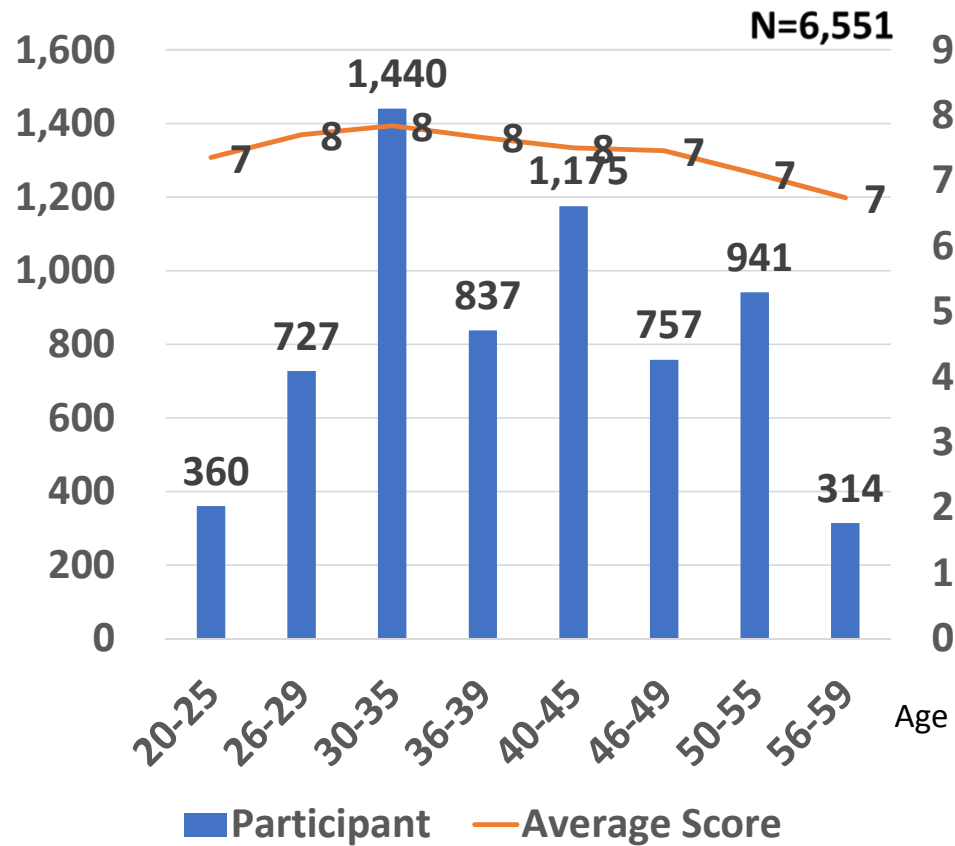
Source: EIS Portal | N=6,551  
Employment Services Division



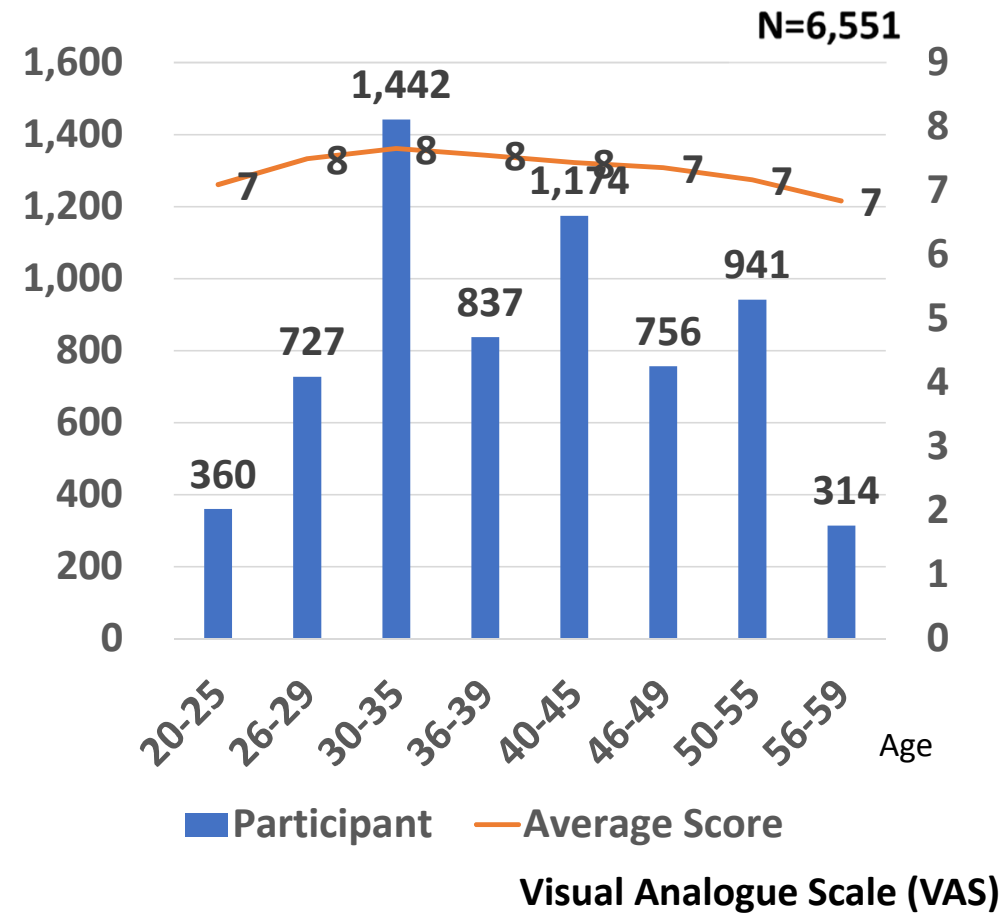
# VULNERABILITY OF EIS CANDIDATES



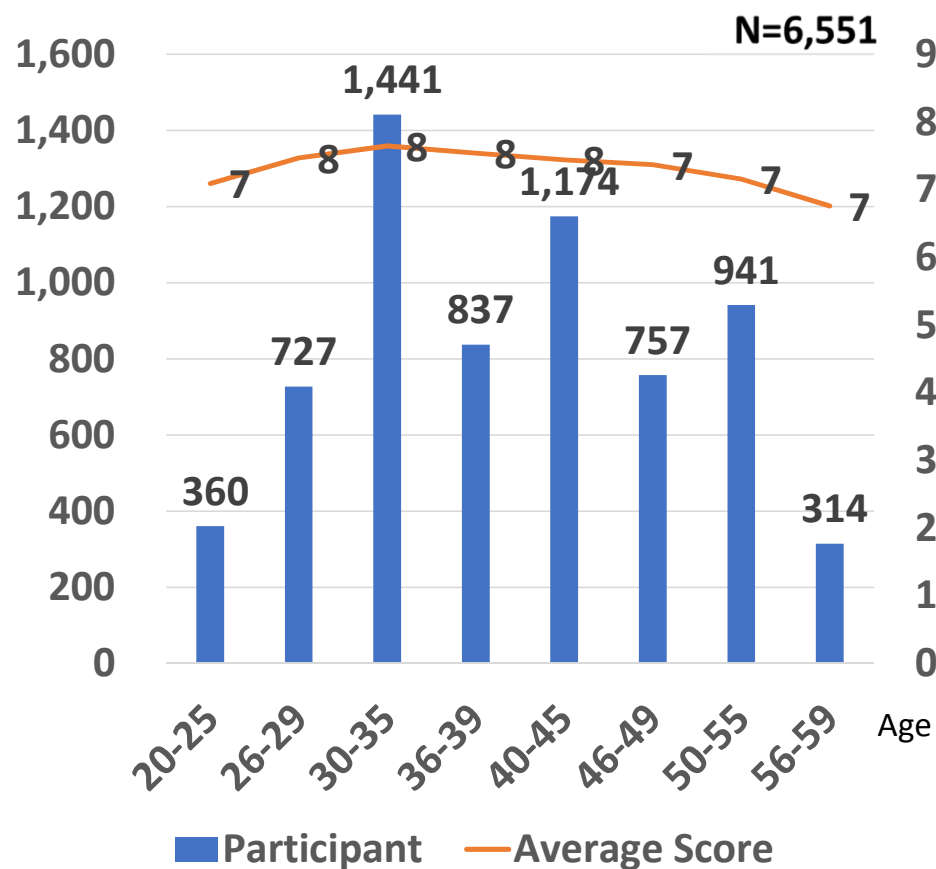
## AVERAGE PERCEPTION OF CAREER GOAL



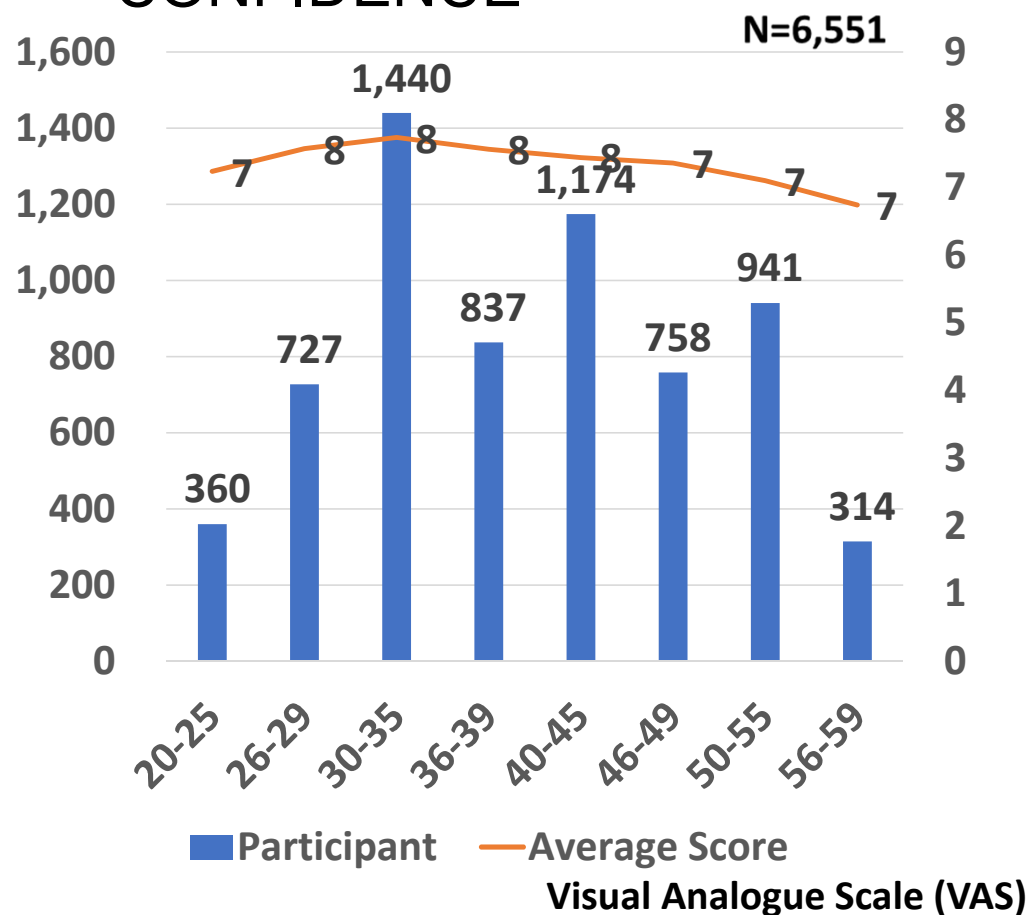
## AVERAGE PERCEPTION OF KNOWLEDGE



## AVERAGE PERCEPTION OF SKILLS



## AVERAGE PERCEPTION OF CONFIDENCE





**“Skills mismatch and market uncertainties remain as challenges for every economy in tackling the issue of high youth unemployment rate,”**

**Malaysian youth unemployment rate is amongst the highest in ASEAN at 10.8% in 2017**

**(Singapore 4.6%, Thailand 5.9%,  
Vietnam 7%, Philippine 7.9%,  
Malaysia 10.8, Indonesia 15.6%)**

**40.5% or 204,000 are graduates out of  
502,600 unemployed**



Source: MIDF Research (2018), DOSM

# EMPLOYMENT SERVICES FRAMEWORK IN MALAYSIA

## GOVERNMENT / AGENCIES

---



## PRIVATE / RECRUITMENT AGENCIES

---



# CAN JOB PORTALS REDUCE THESE GAPS?





# CORE FUNCTIONS OF PES



# COMPONENTS OF A PES

✚ WAPES finding shows that the **core business of PES** consists of 3 main services as follows (The World of PES, 2015):

↪ **Job brokerage** (matching demand and supply of labourforce)

↪ Provision of **labour market information (LMI)**

↪ Design and implementation of **Active Labour Market Policy (ALMPs)** for both jobseekers and employer

✚ **Administration of unemployment benefits (EI)** acts as catalyst to transform labour market mechanism and to complement 3 core business of PES.



AMSEP WAPES AMSPE

World Association of Public Employment Services  
Association Mondiale des Services d'Emploi Publics  
Asociación Mundial de los Servicios Públicos de Empleo

# REVOLUTIONIZING EMPLOYMENT SERVICES IN MALAYSIA





Country	Public Employment Services agency	Population	No of staff	Ratio
► Malaysia*	<ul style="list-style-type: none"> <li>JobsMalaysia (*17,000 ESO – if to benchmark OECD average)</li> </ul>	31.7	266	1:266,386
► Germany	<ul style="list-style-type: none"> <li>Federal Employment Agency (Bundesagentur für Arbeit – BA)</li> </ul>	82.1	110,000	1:746
► Sweden	<ul style="list-style-type: none"> <li>Arbetsförmedlingen</li> </ul>	9.9	12,560	1:788
► UK	<ul style="list-style-type: none"> <li>Department for Work and Pension (JobCenter Plus)</li> </ul>	65.1	80,038	1:813
► Belgium	<ul style="list-style-type: none"> <li>VDAB, FOREM &amp; Actiris</li> </ul>	11.35	9,867	1:1,150
► France	<ul style="list-style-type: none"> <li>Polé emploi</li> </ul>	66.7	53,000	1:1,258
► Canada	<ul style="list-style-type: none"> <li>Employment and Social Development Canada (ESDC)</li> </ul>	36.5	24,000	1:1,520
► Finland	<ul style="list-style-type: none"> <li>Ministry of employment and Economy</li> </ul>	5.5	3,200	1:1,718
► Switzerland	<ul style="list-style-type: none"> <li>Secrétariat D'état À L'économie - Direction Du Travail (SECO-DA)</li> </ul>	8.3	4,597	1:1,805
► Netherlands	<ul style="list-style-type: none"> <li>Employee Insurance Agency (UWV Werkbedrijf)</li> </ul>	17.0	4,365	1:3,894
► Japan	<ul style="list-style-type: none"> <li>Harōwāku (Hello Work) Bureau of Employment</li> </ul>	127.1	28,000	1:4,539

# RECRUITMENT CHOICES IN MALAYSIA

Recruitment by employers	Job search by job seekers
1. Online advertisements	1. Public employment service
2. Relatives/friends of employees	2. Job fairs/open interviews
3. Relatives/friends of employer	3. Employability training programme
4. Print advertisements	4. Answering advertisements
5. Agent/labour contractor	5. Directly applying to employers
6. Educational institution	6. Assistance of relatives/friends
7. Job fairs/open interviews	7. Private employment service
8. Promoting current employees	8. Checking at worksites
9. Public employment service	9. Placing advertisements
10. Private employment service	10. Set up own business

Source: KRIJ (2018)

Respondents: 22,165 youths and 1,620 employers

Why PES in OECD countries is the top choice for employers to do recruitment?

# PES: CRUCIAL FOR SMEs

No	Establishment Size	Total establishment	Percentage of the company
1.	Large (> 200) or (> 75 for services)	13,559	1.5%
2.	Medium (75 to ≤ 200)	20,612	2.2%
3.	Small (5 to < 75)	192,783	20.9%
4.	Micro (< 5)	693,670	75.3%
	<b>Total</b>	<b>920,624</b>	<b>100%</b>

*Source: Economic Census 2016, DOSM*

96.2% are Small & Micro enterprises which normally does not have dedicated HR manager who are responsible for recruitment, hiring and staff development. Therefore, the support from PES is crucial

# IMPLICATIONS OF AN INEFFICIENT PES





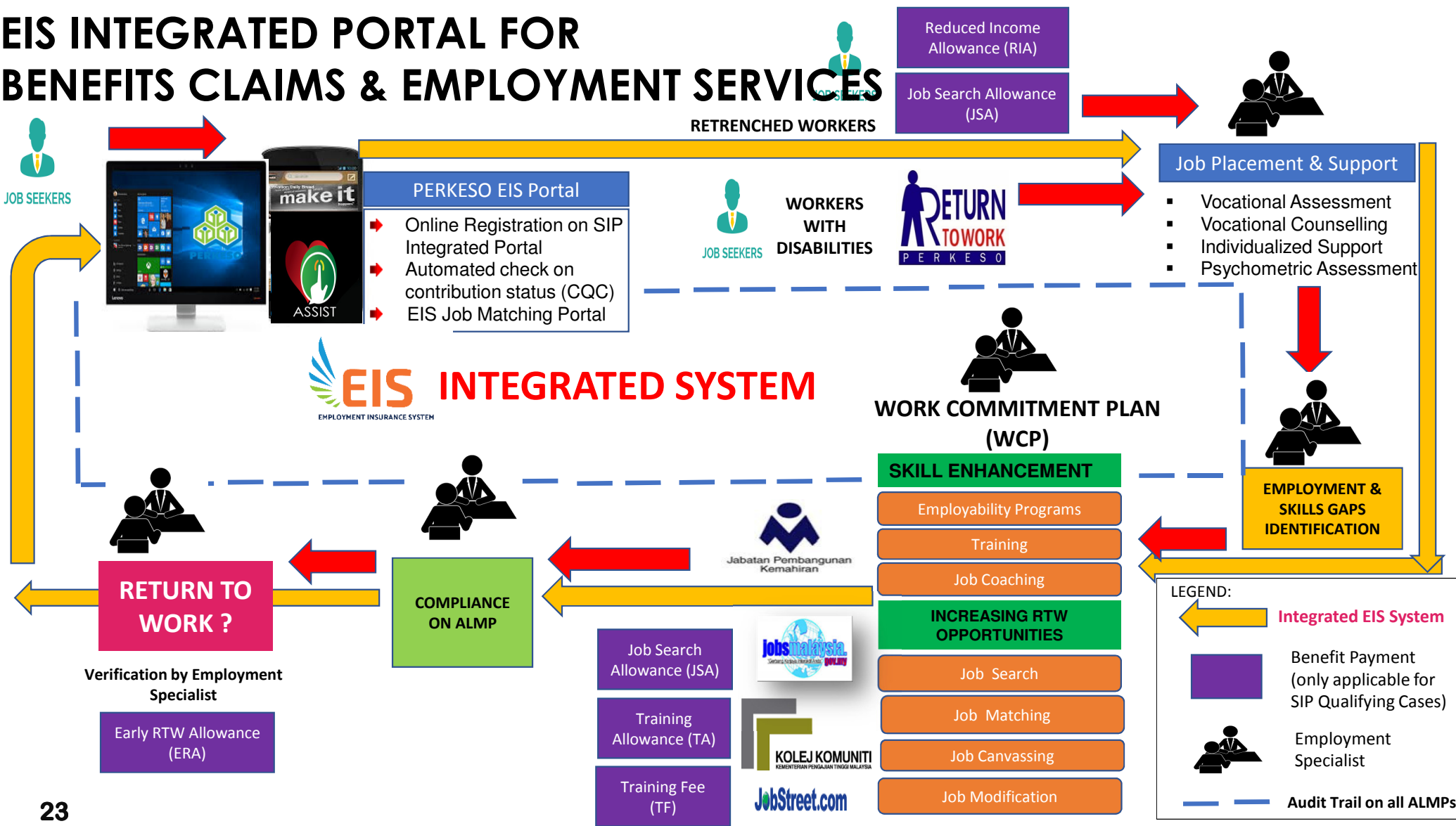
# SOCSCO's EMPLOYMENT SERVICES



*“ Intensive employment services, individual case Management and mixed strategies with selective referrals to long-term labour market programmes tend to have the largest impacts “ (OECD Employment Outlook, 2005)*



# EIS INTEGRATED PORTAL FOR BENEFITS CLAIMS & EMPLOYMENT SERVICES





**4,045 Job Seekers attended open  
interviews held throughout  
Malaysia from Jan – Mar 2019**





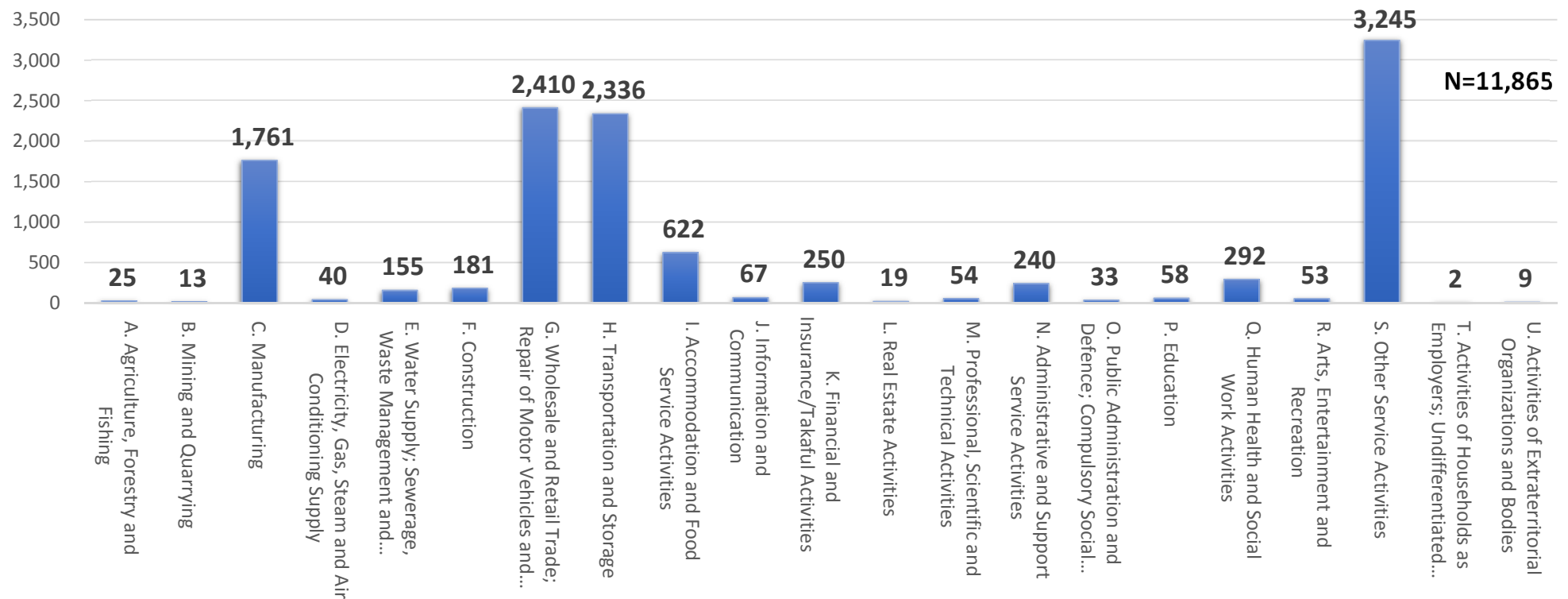


**995 Job Seekers attended  
employability programs  
from Jan – Mar 2019**

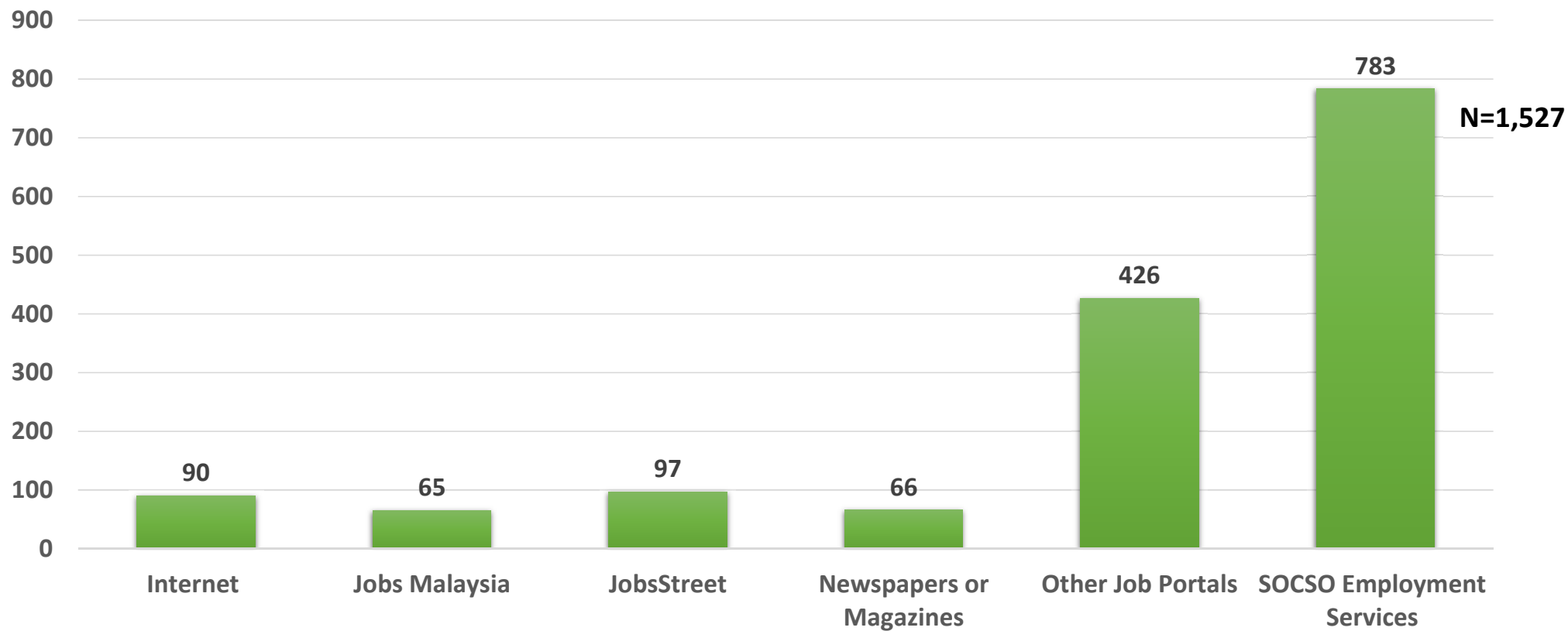


# VACANCIES BY INDUSTRY (MSIC)

## JAN – MAR 2019



# SOURCE OF PLACEMENT FOR RETURN TO WORK IN 2019



# More than 12,363 workers with loss of employment have been placed!



"Kehilangan pekerjaan sejak bulan Jun 2018 yang lalu telah memberi tamparan yang hebat dalam kehidupan saya. Ianya menjatuhkan keyakinan saya untuk mencari pekerjaan dan menceburi bidang kerjaya yang lain. Tambahan pula, saya langsung tidak menerima maklum balas dari permohonan pekerjaan yang dihantar sebelum ini. Saya amat menghargai dan berterima kasih kepada PERKESO kerana melalui Program Penempatan Pekerjaan Semula, ianya telah membantu saya membina kerjaya yang baru di Syarikat Hock Seng Lee Berhad."

- RITA KOH

ABDULLAH MERUPAKAN SEORANG YANG KEHILANGAN UPAYA. BELIAU YANG SEBELUM INI BEKERJA SEBAGAI OPERATOR PENGELUARAN TELAH DIBERHENTIKAN KERJA PADA JANUARI YANG LALU. PEGAWAI PERKHIDMATAN PEKERJAAN PERKESO, ENCIK MUHAMMAD FAIZAL TELAH MEMBANTU PUAN FAUZIAH UNTUK KEMBALI BEKERJA DAN SELEPAS BERTEMU DENGAN PENCARUM, PEGAWAI BERKENAAN TELAH MENGAMBIL INISIATIF DENGAN MENCARI PEKERJAAN YANG BERSESUAIAN DI SEKITAR KAWASAN BERDEKATAN RUMAH PENCARUM. DAN SETELAH MENGHADIRI TEMUDUGA, PENCARUM BERJAYA KEMBALI BEKERJA DI PETRONAS PRIMA SAUJANA 1 KAJANG SEBAGAI SEORANG JURUWANG. TAHNIAH DIUCAPKAN BUAT PUAN FAUZIAH BINTI ABDULLAH KERANA KEMBALI BEKERJA.



DI PERKESO, KAMI PRIHATIN DENGAN NASIB ORANG BERINSURANS.



"Saya mengucapkan terima kasih yang tidak terhingga kepada Bahagian Perkhidmatan Pekerjaan PERKESO Bintulu yang bertungkus-lumus dalam membantu saya mencari pekerjaan bagi supaya saya dapat menyara keluarga saya. Tanpa bantuan dan pertolongan dari PERKESO, agar sukar bagi saya mendapatkan pekerjaan dengan kondisi saya sekarang ditambah lagi dengan cabaran pencarian pekerjaan kini semakin mencabar. Program seperti ini memberi satu harapan yang baru bagi pencari yang kehilangan pekerjaan. Pemantauan dan pendekatan yang teliti membuatkan saya hampir tidak percaya bahawa masih ada pertolongan yang amat membantu seperti ini. Saya dan keluarga mengucapkan jutaan terima kasih kepada PERKESO diatas pertolongan yang diberikan."

- NICHOLAS ANAK DUNGGAT

DI PERKESO, KAMI PRIHATIN DENGAN NASIB ORANG BERINSURANS.



BEKERJA SEMULA DI SYARIKAT OM QUALITY SDN BHD PADA 2HB SEPTEMBER 2018. PEGAWAI PERKHIDMATAN PEKERJAAN PERKESO, CIK NOR SYAKIRA ALIMA TELAH BERJAYA MEMBANTU PENCARUM MENDAPATKAN PEKERJAAN DENGAN MEYAKINKAN BELIAU UNTUK MENGHADIRI TEMUDUGA TERSEBUT. TAHNIAH DIUCAPKAN BUAT ENCIK NIK MOHAMAD ADHA ALMAHDI (OPERATOR) DAN ENCIK MUHAMMAD FADIL (BOILERMAN) KERANA TELAH KEMBALI BEKERJA DI OM QUALITY SDN BHD.



DI PERKESO, KAMI PRIHATIN DENGAN NASIB ORANG BERINSURANS.



# EMPOWERING LIVES





# ACHIEVEMENTS OF ES

- Zero Project Innovative Policy for Job Placement, Training & Education (2017)
- ASSA Recognition Award (Innovation) (2017)
- Recognized as Best Practice on Job Placement by the International Labour Organization (ILO)
- Pioneers in Individualised Placement Support since 2008





# WAY FORWARD

## PILLARS OF ESCO

### PILLAR 1: OCCUPATIONS

- ISCO-08 (2,942 ESCO occupations)
- Occupation Classification / Job Title –
  - 9 Major Groups, 5 digits level

(For job matching & data analytics)



### PILLAR 2: SKILLS AND COMPETENCIES

- Skills set & competences, 13,485 (ESCO list)
- Basic skills – i.e. literacy, numeracy, ICT
- Transversal / transferrable skills / competences

(For job matching and skills gap analysis)



### PILLAR 3: QUALIFICATIONS

- ESCO 8,161 list of European qualifications (8 EQF levels)
- ISCED-11 (9 Level of Education)
- NEC-10 Field of Study Classification - (9 Broad; 25 Narrow; 84 Detail)
- Other Professional Certifications

(ESCO Pillar 3 – for job matching)



### TAXONOMY MANAGER

ESCO - European Skills, Competences,  
Qualifications and Occupations

# TAXONOMY: INSTRUMENTAL FOR EFFICIENT AND EFFECTIVE MATCHING

- ◆ Job matching will be based on skill and competences beside qualification
- ◆ Matching will be displayed by score and ranking – the best fit
- ◆ Bi-directional matching vs uni-directional matching
- ◆ Ranking of candidates (i.e. Score ranking by skills, competences, knowledge, personality, working experience, field of study etc.)
- ◆ Flexibility in setting matching criteria & weightage

## TAXONOMY DEVELOPED BY EXPERTS

- ◆ ESCO - <https://ec.europa.eu/esco/portal>
- ◆ O\*NET – [www.onetonline.org](http://www.onetonline.org)
- ◆ ROME v3 – [www.data.gouv.fr/en](http://www.data.gouv.fr/en)

	MANAGERIAL		PROFESSIONAL		ASSOCIATE PROFESSIONAL & TECHNICIAN		CLERICAL & SUPPORT STAFF		SERVICES & SALES WORKERS		SKILLS AGRICULTURAL, FORESTRIES, LIVESTOCKS & FISHERIES		CRAFT & RELATED TRADES WORKERS		PLANTS & MACHINE OPERATORS & ASSEMBLERS		ELEMENTARY
ISCO 1	title1	ISCO 2	title2	ISCO 2	title3	ISCO 4	title4	ISCO 5	title5	ISCO 6	title6	ISCO 7	title7	ISCO 8	title8	ISCO 9	title9
110	fl					4110	membership administrator	5111	steward/stewarde ss	6111	agronomic crop production team leader	7111	house builder	8111	driller	9111	domestic cleaner
110	n					4110	off		ship steward/ship		vineyard			8111	underground	9111	et attendant
110	a					4110	en										niture cleaner
110	a					4120	se										lding cleaner
110	li					4131	typ										craft groomer
110	c					4132	da										m attendant
110	b					4211	ba										n cleaner
110	a					4211	po										en room endant
110	o						co										earing apparel esser
110	army general	2112	meteorologist	3111	leather laboratory technician	4212	bo										ehicle cleaner
110	squadron leader	2112	aviation meteorologist	3111	hydrographic surveying technician	4212	bir										
110	army major	2112	climatologist	3111	nuclear technician	4212	odds compiler	5113	park guide	6113	interior landscaper	7115	kitchen unit installer	8113	derrickhand	9123	window cleaner
110	air force officer	2112	metrologist	3111	groundwater monitoring technician	4212	casino cashier	5113	zoo educator	6113	groundsman/grou ndswoman	7119	construction scaffolder	8113	well-digger	9129	sewerage cleaner
1111	secretary of state	2113	chemist	3111	soil surveying technician	4212	casino pit boss	5113	guide	6113	horticulture production manager	7119	manufactured wooden building assembler	8113	tool pusher	9129	swimming facility attendant
1111	government minister	2113	cosmetic chemist	3111	chemistry technician	4212	lottery operator	5120	industrial cook	6113	landscape gardener	7119	steeplejack	8113	drill operator	9129	drapery and carpet cleaner

## LIST OF 2,942 ISCO OCCUPATIONS (ESCO)

Labor market forecasting  
– possibility for EIS to  
forecast each occupation  
for employment demand  
annually with salary detail

### Comercial Pilot

Source: O\*NET

### Wages & Employment Trends

Median wages (2017) \$78,740 annual

State wages



Employment (2016) 41,000 employees

Projected growth (2016-2026) ■■■■ Slower than average (2% to 4%)

Projected job openings (2016-2026) 4,000

State trends



Top industries (2016) [Transportation and Warehousing](#)  
[Educational Services](#)

# **NEED FOR EARLY INTERVENTION! GRADUATES EMPOWERMENT PROGRAM**



**“Unemployment early in a person’s working life has been shown to increase the probability of future joblessness and lower future wages”**

**Source: World Bank (2009)**



# WAY FORWARD

- CAPITALIZING ON IT : MACHINE LEARNING BASED JOB PORTAL
- EARLY INTERVENTION TO PREVENT LONG TERM UNEMPLOYMENT  
GRADUATES EMPOWERMENT PROGRAM
- STREAMLINING OF EMPLOYMENT SERVICES UNDER ONE ROOF
- INTRODUCTION OF INCENTIVES FOR EMPLOYERS
- WIDEN THE COVERAGE OF UNEMPLOYMENT UNDER SOCSO



# Bedding & Accessories







# **THANK YOU**

**Dato' Sri Dr. Mohammed Azman bin Dato' Aziz Mohammed**  
**CEO, SOCSO MALAYSIA**  
**[drazman@perkeso.gov.my](mailto:drazman@perkeso.gov.my)**