

No money to hire graduates, says MEF

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| August 18, 2017

'Employers are cutting costs, and when you cut costs, one of the first things you look at is your hiring policy.'



PETALING JAYA: The Malaysian Employers Federation (MEF) has cited poor economic conditions as the primary reason for the high number of unemployed graduates.

Speaking to FMT, MEF executive director Shamsuddin Bardan said employers simply did not have the money to hire new workers.

“Employers don’t have the capacity to employ them due to the fact that businesses are very much challenged now and most of them are reporting lower profits,” he said.

“Employers are cutting costs, and when you cut costs, one of the first things you look at is your hiring policy.”

He was commenting on a news report quoting Higher Education Minister Idris Jusoh as saying 54,103 graduates remained unemployed after they completed their studies last year.

Shamsuddin said the problem had persisted for several years. “It is likely that the total number of unemployed graduates in the country has exceeded 100,000 if we include those from previous years.”

He said the extension of the retirement age from 55 to 60 in 2013 only served to aggravate the situation.

“People who should have retired back in 2013 will only retire next year. Because of that, the spots we need to fill up have still not been vacated.

“The increase in the retirement age created a vacuum of five years. That adds to the issue of graduates not being able to find suitable jobs.”

Shamsuddin said the Putrajaya administration needed to work with employers in addressing the issue.

“The government needs to come up with programmes where employers are given incentives to employ these graduates,” he said.

According to Idris, the ministry has implemented a number of programmes in its attempt to address the issue.

Citing initiatives that go by such names as “Integrated Cumulative Grade Point Average (iCGPA)”, “Two Universities + Two Industries (2u2i)” and “CEO Faculty”, he said:

“We created these programmes according to the National Education Blueprint. The rest of the world doesn’t have these and is watching us. This system will be able to produce graduates that are more holistic for the working world.”