Unemployment rate among graduates in malaysia

1. 1 Introduction:

The rising unemployment rate among the graduates in Malaysia is an upsetting trend. For many years, the problem cropped up again and again, made the news headlines, and even hit the parliament. Higher education is become no longer a symbol of future career success. In July 2006, The Sun newspaper reported that the unemployment rate of public universities has reached a staggering 70%, whereas the private institutions recorded 26% and foreign graduates 34%. Recently there are many papers attempt to study the phenomenon of unemployment fresh graduate in Malaysia for example Hansad (2005) rationalized the reasons of unemployment is because of lack of soft skills such as skills, lack of self confidence, low self esteem, poor in English and computer skills. Most of the papers detect that the lack of quality among fresh graduates as the main reason for the high rate of unemployment. So, In order to solve this issue needs conducting a training course for those unemployment fresh graduates with high quality by implementing the principle of the Total quality management in the training process model and come out with DSS prototype to help both of unemployment fresh graduate and the training companies to make a right decision .

Under umbrella of the globalization and continuous developing in technology, quality has become one of the important factors for achieving competitive advantage. This global revolution forced organizations to invest substantial resources in adopting and implementing total quality management strategies. Previously there are many researches talked about how important of implementation of TQM in human resource development

(HRD) such as training process model (TPM). TPM is a process of increasing the knowledge, skills and the capacities of all the people in a society. For example WINN R. (1998) concluded that TQM can be a powerful tool in the educational setting even though it was developed with manufacturing processes in mind. Also, Ali M. & Shastri R. (2010) found that implementation of TQM concepts is one of such measures, which will go a long way in revolutionizing the higher education system, which will result in Excellencies of performance in terms of quality outputs.

Moreover, for effectiveness of the training course needs to build a decision support system (DSS) this can help both of the training companies and the unemployment to make a right decision in state of decide which training should be conducting. In this study considered the human resource consulting (HRC) training company in Malaysia as a case study to apply the DSS prototype on it. Earlier, there are many studies of applied the DSS in HRD for example E-learning one of the popular DSS application used in HRD Nur'Aini A., Omar M. & Chow Y,(2002) built a E-Learning Management System for Secondary School in Malaysia. Also DSS application had been used to get on-line exam for IT professional certificate such as CNNA, DBA and PHP this kind of DSS built by famous companies such as Microsoft, oracle and Sisco.

Decision support system (DSS) background:

Decision support system (DSS) is a computer-based information system that supports business or organizational decision-making activities. DSSs serve the management, operations, and planning levels of an organization and

help to make decisions, which may be rapidly changing and not easily specified in advance (wikipedia).

As mentioned above, there are theoretical possibilities of building a DSS in any knowledge domain. For example in engineering Kosavinta, S., Kanongchaiyos , P. and Jinuntuya, P. (2007) have built a DSS prototype for engineering and Architectural Project Design to help them to manage their project which allow users to either manage their project with the estimated change of design or design the product and estimate the result for supporting their decision. Also DSS had been applied in medicine Martin J., Samson W.& Mark A.(2001) develop a DSS prototype tdisplay patient-specific treatment information at the point of care, and allows a clinician to modify patient data and fetch updated advisories, or to request an explanation for any recommendation. Another example in DSS application in environmental area (strategic planing of the natural resource management) Maia R. & Andreas H. (2007) Developing DSS Strategies prototype for Regulating and Managing Water Resources and Demand in Water Deficient Regions, a DSS developing for planning purposes. Recently DSS applications have been used in the area of the human resource development (HRD) such as education area, (primary, secondary school and even the high education sectors) and human resource training companies

1. 3 Human resource development (HRD):

HRD is a process of increasing the knowledge, the skills and the capacities of all the people in a society. In economic terms, it could be described as the accumulation of human capital and its effective investment in the development of an economy. In political terms, HRD prepares people for

adult participation in the political process, particularly as citizens in a democracy. From the social and cultural points of view, the development of human resources helps people lead fuller and richer lives, less bound to tradition. Moreover, HRD is a title which represents the latest evolutionary stage in the long tradition of training, educating and developing people for the purpose of contributing towards the achievement of individual, organizational and societal objective (Wilson, J., 1999).

Previously, there are many studies of applied the DSS in HRD for example E-learning one of the popular DSS application used in HRD Nur'Aini A., Omar M. & Chow Y,(2002) built a E-Learning Management System for Secondary School in Malaysia, This software is a web based application can be used by different schools concurrently. The central process, database and knowledge base will be maintained by a system administrator at the central location. Teachers can also access the system from anywhere and at anytime. Teachers can monitor student's performance easily through the test/tutorial results analysis done by the system and the system will provide some advice to the students based on their results.

Nowadays the new technology has spread in largest geographical resulting in more informed customers. The business environment has become more complex and the marketplace has changed from local to global. Continuous pressure is applied on the management to improve competitiveness by lowering operating cost and improving logistic. Customers are becoming increasingly aware of rising standards, having access to wide range of products to choose from. There is an ever-increasing demand for quality product and/or services this global revolution had forced organizations to

invest substantial resources in adopting and implementing total quality management strategies. That means today life needs high quality of human resources, this force the HRD Company to implementing the total quality management in order to improve its products and services.

1. 4 Total quality management (TQM) concept

TQM is a leadership philosophy and strategy that is based on Customer focus, continuous improvement of every process, employee empowerment all creating transformations towards an organization that is providing excellent products and services. The key to quality management is maintaining a close relationship with the customer in order to fully determine the customer's needs, as well as to receive feedback on the extent to which those needs are being met. The customer should be closely involved in the product design and development process, with input at every stage; so that there is less likelihood of quality problems once full production begins (Flyn, 1994).

Previously TQM had been applied in HRD for example WINN R. (1998) concluded that TQM can be a powerful tool in the educational setting even though it was developed with manufacturing processes in mind. The key elements to a successful implementation are (1) gain the support of everyone in the chain of supervision, (2) identify your customers, (3) focus on refining the process, and (4) use Deming's 14 Points as a guide and checklist during the implementation effort. The final result will be a more efficient operation and a teamwork attitude rather than an `us versus them' attitude between faculty and students. Also, Ali M. & Shastri R. (2010) found that implementation of TQM concepts is one of such measures, which will go

a long way in revolutionizing the higher education system. Mean that, the participation of all the

constituencies of higher educational system will result in continuous improvement in the process. This will facilitate more customer friendly practices, which will result in Excellencies of performance in terms of quality outputs.

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1. 5 Problem statement

Unemployment fresh graduate in Malaysia has been a very noticeable phenomenon in the last two decades. In the worldwide, there were 1. 2 billion persons aged between 15-24 years old in 2007, of which 738 million persons were in the Asia-Pacific region (United Nations 2007). Therefore, global youth unemployment has been on the rise (by 14. 8 per cent between 1995 and 2005, from 74 million to 85 million), of which the largest increase was in South East Asia and the Pacifici . 85. 5 per cent, from 5. 2 to 9. 7 million (ILO 2008c).

In Malaysia the rate of unemployment has been rise during period of 1996 to 2003 as following (2. 5, 2. 4, 3. 1, 3. 4, 3. 1, 3. 6, 3. 5 and 3. 5) for the unemployment in Malaysia as general according to (Nazaria B., 2004) report. The paper also attempts to study the phenomenon of unemployed graduates during the period 1997-2003 and its relations to labor market climate. As a result the number of unemployment graduate during these period increase as following (4. 6, 3. 4, 1. 6, 2. 1, 4. 3, 7. 4 and 5. 2) . According to a report

from department of Malaysian statistic, unemployment rate had hit 3. 1% in September 2010 (http://www. statistics. gov. my).

Moreover, there are many research looked on the reason why the Malaysian fresh graduates are unemployment. For example Hansad (2005) simplified the reasons of unemployment is because of lack of soft skills such as communication skills, lack of self confidence, low self esteem, poor in English and computer skills. Also Aminah, A. & Nithyaroobini, M. (2010) found That the labor market such as services sector requires people who do not only possess the right technical knowledge, but also possess the right soft skills which comprises of interpersonal, communication, good judgment and maturity. Nowadays, it is difficult to get graduates with a combination of both skills. In addition to that, fluent English speaking graduates can be hardly found in the current working environment.

In conclusion most previous studied the phenomenon of unemployment fresh graduates in Malaysia agreed that the reasons why graduates unemployment is rising because of the lack of soft skills and the lack of the guidance. To solve this problems needs to give them a good training to improve their soft skills in order to do that needs to implementing the TQM in the training process model to increase the quality of the training course also needs to apply decision support system (DSS) prototype in the training process model in order to give them guidance or information about what kind of the skills needed in state of getting a job in particular local area for example if the unemployment person want to get job in Kedah state so, the DSS prototype should be able to give them information about what kind of courses skills should be taken in order to have job in Kedah . It's mean that

the HRD courses should be designed according to the local labor market demand. There are many studies have concentrated of the studding the phenomenon a few studies have sought a solution to the problems.

1. 6 The study Questions

What are the LHRD process model components?

What is the LHRD process model framework?

How does the DSS prototype work?

1. 7 Objectives

The main objective of this research is to develop an efficient DSS prototype for the local human resource development (LHRD) process model in order to increase the skills of unemployment in Malaysia. To achieve the main objective needs to do the following.

1. To Determine the LHRD process model components

2. Develop the local human resource development (LHRD) strategic model basic on the previously training and HRD process model and TQM concept.

3. Develop a prototype decision support system to both of training companies and unemployment to take a right decision.

1. 8 Significance of the Study

This study set out to develop the DSS prototype for the local human resource development (LHRD) process model. LHRD is Basic on the previous HRD process model and TQM components. LHRD is concerned with providing learning and development opportunities, making training interventions and

planning conducting training programs for Malaysian unemployment fresh graduates. This DSS prototype is important to many parties, such as human resource development companies, local labor markets and Malaysian unemployment fresh graduates.

Human resource development companies are required to design an efficiency training programs for the unemployment fresh graduates in Malaysia to satisfy the Malaysian local labor market demand. The LHRD model will offer a clear strategic process for the companies in order to design the training programs also DSS will offering an easy way to enter final output of the training programs in the DSS data based and automatically going to the dynamic website in order to gives full information to the company's clients. Also DSS will help the company to get feedback from the clients by offering online registration. This model will give some benefit such as increasing the programs quality reduce the company cost and increase the profit.

Unemployment fresh graduates in Malaysia needs DSS prototype in order to give them guidance or information about what kind of skills needed in state of getting a job in particular local area. The DSS prototype should be able to give them information about what kind of courses skills should be taken in order to have job in particular state . This lead to increase the quality of the Malaysian unemployment fresh graduates and save their time.

1. 9 Scope of the Study

The study will be concentrating on the issue of implementing the TQM and DSS in the local human resource and the study restrict focuses on human resource consulting (HRC) Training Company in Kuala lumpur Malaysia.

1HRC is Group of companies which is located in Amcorp Business Trade Center, Petaling Jaya, Selangor was established in 1996. HRC started its first business as a dedicated language center in a small office located in the suburbs of Kuala Lumpur. HRC has then developed into a Training House. After undertaking various challenges in business, today, HRC has transformed into a Group of Companies that incorporate business in: Training, Engineering, Plant Technology, Flora and Fauna, Malaysian German Resources, and IT Solutions. HRC commenced its main business as a company staff training provider. Therefore HRC extends its aim to provide educational and industrial training services for working adults. Since then, many business service have been expanded from mainly conducting language based programs to organizing Technical, Soft Skills, Team Building, ISO related programs, IT, Leadership, and many motivational workshops, as well as In-house training programs for corporate sectors.

1. 9 Scope of the Study