

Analysis of Factors that Contribute to Unemployment Among Graduates at Kluang, Malaysia

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ABSTRACT

In the current situation, unemployment in Malaysia, in particular youth unemployment, has increased due to certain unbalance in the labor market, aggravated by the current economic and financial crisis. For example, many other young graduates are currently unemployed, referring to research in a career which also normally doesn't really demand a graduate degree. The above dilemma is debatable, and the explanation behind it is that the level of education could not help to address the rate of unemployment, but could further increase the prevalent social problem. Human resources, especially young people, are perhaps the country's most valuable asset. The solution to the problem of youth unemployment is therefore a matter of great concern. It requires the development of modern employment policies that are in line with economic realities. Sampling methods are being used to select a sample from the general population. For the data analysis, the researcher used the Statistical Package for the Social Science (SPSS) tool. The data that are showed the dependent variable which is an effect of unemployment or reliability test has an excellent reliability value is 0.702. While the independent variables of reliability test of factors of unemployment has a good reliability which is 0.730. Hence, the questionnaire that have been constructed are valid.

Key words: Unemployment, Financial Crisis, Young Graduates, Education, Social Problem

INTRODUCTION

The problem of unemployment is a very important issue for each country, in particular, those developing countries. This problem of unemployment is causing the loss of labor income, a fall in the productivity, and human resources of a nation. Unemployment has been identified as one of the main impediments to worldwide social progress and growth. Today, the number of public as well as private universities continues to increase. The same is true of polytechnics and education colleges. Unemployment is one of the important issues for developing economies of all the country and gives a big impact on the country. According to the Department of Statistics Malaysia (2020), the unemployment rate in February 2020 increased to 3.3% as compared to 3.2% in January 2020. During the month, the number of unemployed accounted for 525.2 thousand persons, an increased 2.6% as compared to the previous month. The unemployment rate in February 2020 was still unaffected by the internal shock caused by the COVID-19 pandemic and is expected to have an impact on the unemployment rate beginning in March 2020 (Mahidin, 2020). In a report today, the Statistics Department (DOSM) said the current number of Malaysian unemployment was 745,100. There were 773,200 jobless individuals in

June. The number of working people rose by 0.6 percent to 15.07 million in July from 15.99 million in June, according to findings from this month's Labor Force Statistics in Malaysia (Kaur, September 11, 2020, 4:08 pm).

METHODOLOGY

Study Location

This research conducted at Kluang, Johor, Malaysia. Kluang district has an area of 2,851.64 km². The Kluang district is bordered to the north by Segamat, to the west by Batu Pahat, and to the east by Mersing. Kluang district's southern boundary meets Pontian, Kulai, and Kota Tinggi. As the central district, Johor is bordered by most districts. Kluang district has a capacity of 2,8518.8 square kilometers. The administrative council area is 126.57 [km²]. Kluang's on a network of roads and railroads with other cities. The main railway line connecting north to south Malaya was constructed passing through Kluang and this helped to grow. Roads were built to connect Kluang to Johor Bahru in the south-east direction, Batu Pahat in the south-west direction, and Mersing in the northeast direction. Kluang's economy shifted from rubber to palm oil over the 20th century, and now has some of the largest organic farms in Malaysia (History Kluang, 2020). The manufacturing sector has also expanded significantly with foreign investment and a critical mass of tile manufacturers making it possible to call the district "Malaysia's tile city". The organic farming sector has also boosted Kluang as a destination for ecotourism with main farms including Zenxin, UK Agro, and Kahang Organic Rice Farm.



Figure 1 : Study Location (Source: Map of Kluang District, Johor)

Data Collection and Analysis

In this study, the primary source collected through questionnaires which will be the main resource for this research. Primary data means the data was collected for subsequent analysis to determine the solutions to the problems which are collected firsthand (Sekaran & Bougin, 2003). The data gathered and assembled specifically for the research study at hand and also known as primary sources.

For the data analysis, the researcher used the Statistical Package Software (SPSS) version 24. The result for descriptive analysis, validity, and reliability analysis was supported by using this software. Sample size is characterized as an act that choosing the number of respondents for any empirical study. Sampling methods are being used to select a sample from the general population. Proper sampling methods are important for the elimination of bias in the selection process. They may also make it possible to reduce the cost or effort of collecting samples. Common sampling methods include simple random sampling, which is a completely random selection of the population. The sample size could be selected from the determined population. In the research analysis, the sample size is calculated based on the cost of data collection and the need for adequate and reliable statistical data. To simplify the process of determining the sample size for a finite population, Krejcie & Morgan (1970) produced a table using a sample size formula for a finite population for this study.

Table 1.0 : Table for Determining Sample Size of a known population

N (population)	S (sample)
10	10
15	14
20	19
25	24
30	28
35	32
40	36
45	40
50	44

Source : Krejcie & Morgan 1970

Note :- N- is Population Size

S - is Sample Size

Quantitative research is based on a large sample of participants where data obtained can be 'objectively' measured with numbers, analyzed through numerical comparisons as well as statistical analysis and, popular methods based on quantitative data include surveys and experiments. Quantitative research is based on the measurement of quantity or quantity. The results or results of the research would be in a number or a set of numbers. It is a non-descriptive and iterative process in which the evidence is evaluated. the researcher described the results of the data collected from the research analysis. Statistical Methods Used in the Statistical Package (SPSS) version 24.0. The questionnaire was prepared and 50 questionnaires were distributed to the respondent. A 100 percent of the question was answered by the respondent from the observation of the questionnaire that was collected. From the data analysis, this study was use the 5 point scale to see the level of agreement for each item within the range of strongly disagreeable to strongly agree.

RESULT AND DISCUSSION

Demographic Analysis

It shows the majority of respondent that involve are female with the percentage of 55.0 percent or 35 participants from the total of 50 respondents. Meanwhile, the male that involve in this research was 30.0 percent or 15 participant. This show female are more unemployed rather than male.

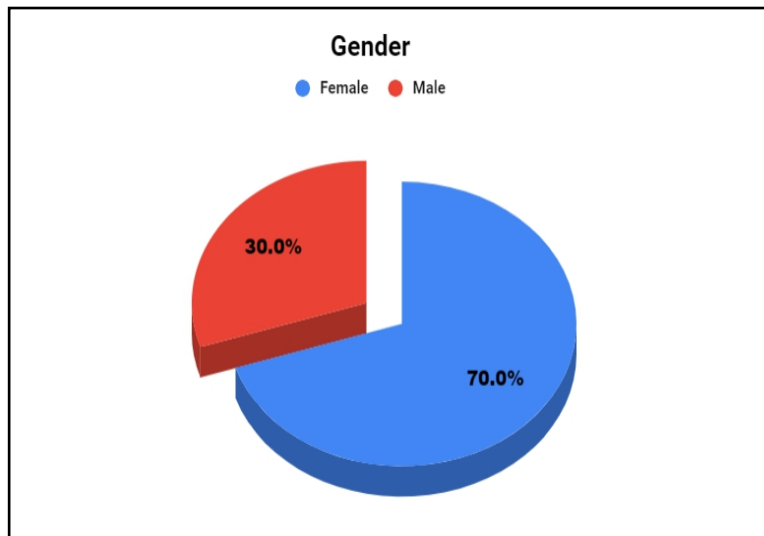


Figure 2 : Percentage of Gender

Ethnicity

There is three type of ethnicity that is measure in this part which is Malay, Chinese, and Indian. From the figure, it can be observed that Indian is the majority of the respondent with the percentage of 50.0 percent or 25 participants. The second-highest percentage of ethnicity is Malay with a total of 36.0 percent or 18 participants and follow by Chinese ethnicity that have 14.0 percent or 7 participants. From the data gain, the researcher can conclude that the majority of the respondents are from the Indian ethnicity who have participants in this research.

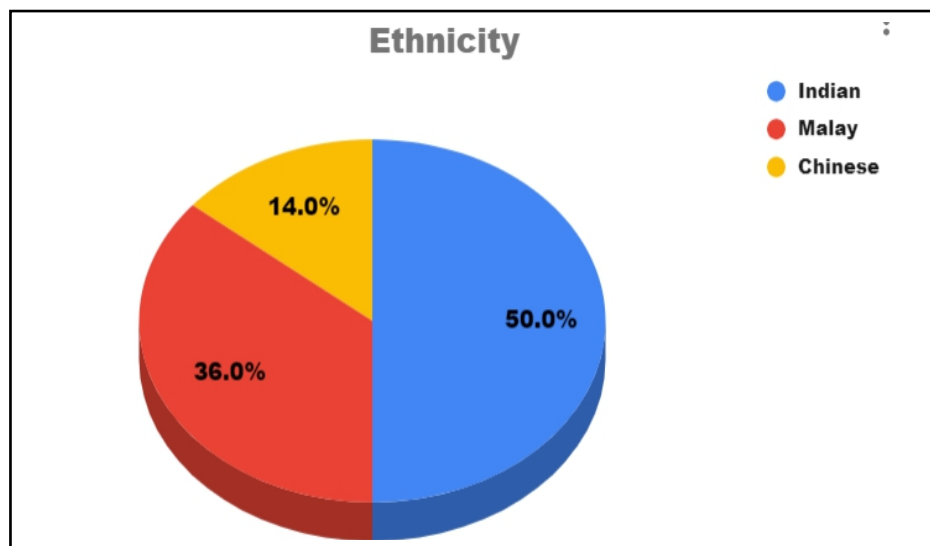


Figure 3 : Percentage of Ethnicity

Relationship Status

There is three of relationship status that is measure in this part which is single, married and divorced. From the figure, it can be observed that the respondents with single status is the majority of the respondent with the percentage of 76.0 percent or 38 participants. The second-highest percentage of relationship status is married with a total of 22.0 percent or 11 participants and follow by the divorced status that have 2.0 percent or 1 participants. From the

data gain, the researcher can conclude that the majority of the respondents are from single status who have participants in this research.

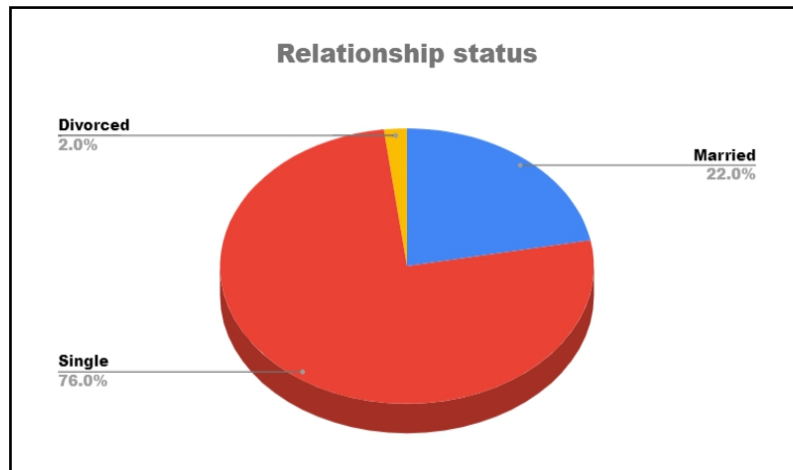


Figure 3: Percentage of Relationship

Qualification

There are four types of qualification that is measure in this part which is Bachelor's Degree, Diploma, Master's Degree and PhD. From the figure, it can be observed that respondents with Bachelor's Degree qualification is the majority of the respondent with the percentage of 74.0 percent or 37 participants. The second highest with the same percentage of respondents qualification is Diploma and Master's Degree with the total of 12.0 percent or 6 participants and follow by respondents with PhD qualification that have 2.00 percent or 1 participants. From the data gain, the researcher can conclude that the majority of the respondents are from Bachelor's Degree qualification who have participants in this research.

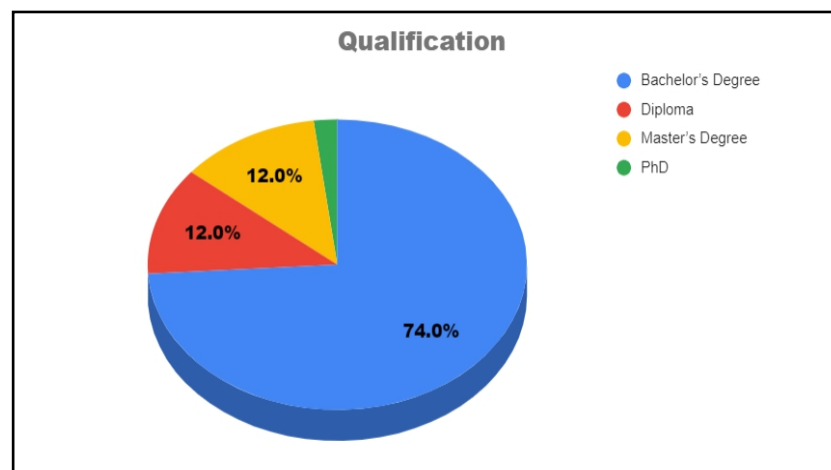


Figure 4 : Percentage of Qualification

Frequency of Attending Interview

From the figure, it can be observed the majority of the respondent which is 46.0 percent or 23 of them have attended the interview 1 to 3 times. Whereas, 40.0 percent or 20 of the respondents who have attended the interview for 3 to 6 times and 10.0 percent or 5 of the respondents have attended the interview more than 9 times. For the frequency of 6 to 9 times

only have 4.0 percent or 2 respondents who have attended the interview. It can be concluding that graduates have attended the interview 1 to 3 times in order to get a job after graduating.

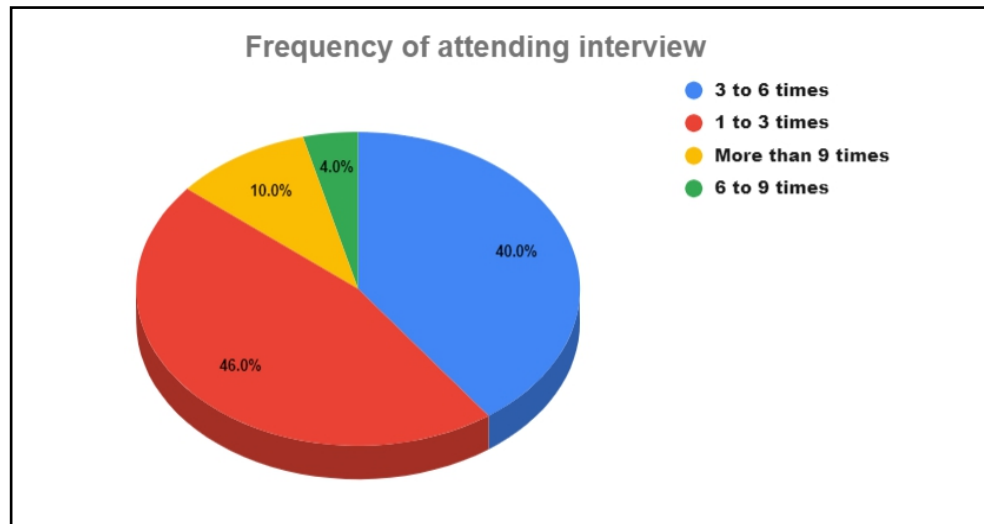


Figure 5: Percentage of Attending Interview

MEAN

The most common phrase for the mean of a statistical distribution with a discrete random variable is the mathematical average of all terms. In order to calculate it, add the values of all the terms and then divide the number of terms. The mean of a statistical distribution with a continuous probability distribution, also known as the expected value, is obtained by integrating the variable product with its probability as defined by the distribution. The mean is the statistic most commonly used in describing the central location of the sample data, other variations of the sample, such as the truncated mean, the inter-quartile mean, and the geometric mean, may be more appropriate in a given circumstance. The characteristics of the data dictate which of the data should be used.

Mean of the Independent Variables

Table 1: Mean of the Independent Variables

Variables	Mean	Median	Min	Standard Deviation
Quality of education	3.90	4.00	1	0.909
Lack of education	3.50	4.00	2	1.035
Lack of communication and English language skills	3.84	4.00	2	0.889
Lack of soft skills	4.06	4.00	2	0.767
Mismatches of skills and education	3.94	4.00	2	0.818

This analysis shall be carried out for analysis of the dimension of independent variables which is the quality of education, lack of education, lack of communication and English language skills, lack of soft skills, and mismatches of skills and education. Table 1 shows that lack of soft skills had scored the highest mean of 4.06, followed by the mismatches of skills and education with a

3.94 mean score. Furthermore, the mean scored for quality of education is 3.9 and followed by the lack of communication and English language skills with a 3.84 mean score. Lastly, the lack of education had the lowest mean score which is 3.5.

Mean Of Dependent Variables

Table 2: Mean of the Dependent Variables

Variables	Mean	Median	Min	Standard Deviation
Low self-esteem	3.84	4.00	2	0.738
Crime	3.22	3.00	1	1.217
Labor market	3.86	4.00	2	0.808
Socioeconomic	3.78	4.00	2	0.840

This analysis shall be carried out for analysis of the dimension of dependent variables which is the low self-esteem, crime, labor market, and socioeconomic. Table 2 shows that labor market had scored the highest mean of 3.86, followed by the low self-esteem with a 3.84 mean score. Furthermore, the mean scored for socioeconomic is 3.78 and lastly, the crime had the lowest mean score which is 3.22.

DISCUSSION ON MAJOR FINDINGS

Hypothesis 1

There is a relationship between factors to the unemployment among graduated

Hypothesis 1 was analyzed there is a positive relationship between factors to the unemployment among graduates. Whereas, the T-statistics had been recorded as more than 1.96 and the P-value was 0.00. As information, when the T-statistics more than 1.96 and P-value less than 0.05 the hypothesis that built will be significant and supported. Hence, it can be concluded that there is a relationship between factors to the unemployment among graduates as the T-statistics was more than 1.96 and P-value was less than 0.05.

Hypothesis 2:

There is a relationship between effects to the unemployment among graduated

Hypothesis 2 was analyzed there is a positive relationship between effects to the unemployment among graduates. Whereas, the T-statistics had been recorded as more than 1.96 and the P-value was 0.00. As information, when the T-statistics more than 1.96 and P-value less than 0.05 the hypothesis that built will be significant and supported. Hence, it can be concluded that there is a relationship between effects to the unemployment among graduates as the T-statistics was more than 1.96 and P-value was less than 0.05.

CONCLUSION

To sum up, this research is intended to investigate the analysis of factors and effects that contribute to unemployment among graduates in Malaysia. Unemployment is a very significant factor that can directly influence the economic development of a country. Since Malaysia is a developing nation, the government and policymakers should take into account the increase in unemployment since Malaysia's future relies on young generations. Efficient skills training would produce learners who are trained and skillful before joining the field of employment. It will also create graduates with a strong work ethic, constructive and willing to solve work-related problems. A graduate is chosen to fill a post because the employer feels that the

applicant has better experience and job skills than other applicants. The government should take the requisite steps to resolve the unemployment problem together to achieve sustainable development goals.

SUGGESTION

One of the actions or strategies that the government can be conduct is to develop an educational framework to meet tomorrow's needs. Access to compulsory, high-quality education programs is vital for the delivery of a wide range of essential skills, ranging from core competencies such as literacy and numeracy to critical thinking, social and behavioral skills. Education investments can concentrate on early childhood education, particularly in low-income countries where pre-school attendance is very low. Besides that, the government also can restructure the education system to improve student achievement.

Furthermore, increase production in all industries, concentrating on agriculture and the informal economy is one of the actions that government can be conduct. Government must pay attention to this, understand together foster productivity growth, especially in the small-scale agriculture, rural non-farm, and urban informal sectors, which will decide the economic inclusion of the poorest and near-poor.

Another strategy that can conduct by the government is to expand the productive potential for sustainable development and accept new technology and modern business models. This is done by coordinated strategies at national and international levels. The industry-led economic transition still holds the greatest potential for broad-based changes in labour productivity and, as a result, is to increase opportunities for decent employment and the availability of affordable goods. Productivity-enhancing policies must go hand-in-hand with policies that counter inequality.

Besides, improvement of work prospects based on growth action plans and strategies also one action that the government can be implemented. Economic development strategies play a vital role in optimizing the economic success of one city. Economic growth policies must be synchronized from the national level to the local level. The position of production and production should be focused on economic strategies and direction for the development of more job vacancies, especially in rural areas.

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