HIGHER EDUCATION AND EMPLOYMENT IN MALAYSIA

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ABSTRACT

Globalization and rapid changing technologies have resulted in a highly competitive job market. This has required a greater demand for higher education to fill in the roles of trainer and developer of marketable skills. However, of late, extensive evidence indicates that graduate unemployment, and mismatches between graduates' skills and the needs of the employment systems are on the rise in many countries. This phenomenon is also seen in Malaysia. This paper examines the main issues facing graduate employment in Malaysia using empirical evidence obtained from annual reports published by the various government ministries as well as a tracer study conducted in year 2002 on Diploma in Banking studies (*DIB*) graduates from *MARA University of Technology, Sarawak Branch*. Four issues that include rising unemployment, and the shrinkage of employment in the public sector are discussed in this paper. Several strategies have been suggested in this paper to overcome these problems. These include, amongst others conducting tracer studies, development of generic skills, adjusting and upgrading curricula and activities to enhance graduates' employment prospects, increasing science and technology graduates, and benchmarking with established universities.