



# The Unemployment among Malaysian Youth during the Covid-19 Pandemic

Suriana Che Awang, Abu Yazid Abu Bakar\*

Faculty of Education, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia

\*Correspondence: E-mail: [yazid3338@ukm.edu.my](mailto:yazid3338@ukm.edu.my)

## ABSTRACT

This paper highlights how the issue of unemployment will affect Malaysian youth. The problem of unemployment also involves various aspects such as the role of the government, the policies created, the industrial sector, employers, and people in a country itself. When the pandemic occurred, many young people especially graduates who had just completed their studies at the university level, had to face increased competition to place themselves in the world of work. This writing also uses library research methods to find related secondary information. Information obtained from various sources such as books, journals, and articles related to youth unemployment, its effects, and how to cope during the outbreak of covid-19. The results of the reading data obtained are discussed and the results of this writing will provide some suggestions for improvement in terms of the role of the government and the role of the youth themselves to reduce the problem of unemployment.

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## 1. INTRODUCTION

Unemployment is no longer a new issue among young people who have just finished studying. This issue also often happens to every developed and developing country where each one of them experiences almost the same issue. This phenomenon is experienced by developing countries as well as developed countries as a result of economic effects in the country and regionally. The problem of unemployment also involves various aspects such as the role of the government of a country, the policies created, the industrial sector, employers, and people in a country itself. However, an unemployment rate below four percent is still considered a zero-unemployment rate in the sense of contemporary economics. Young people around the world have been adversely affected by the global financial crisis. This is due to the severe recession, sluggish economic environment, slow recovery, and relatively low job growth, making the economic situation not experiencing good growth (Ali & Rahim, 2020).

In addition, the unemployment problem that occurs today is also caused by the transmission of the COVID-19 pandemic that affects human health around the world. The World Health Organization (WHO), also has declared this epidemic a pandemic after it spread globally involving most countries around the world (Cucinotta & Vanelli, 2020). The increasing outbreak of COVID-19 has also caused the government to announce a Movement Control Order (MCO) as a measure to break the chain of COVID-19 from further infecting other humans. Through this implementation, all Malaysians have to stay indoors and are not allowed to go out and do their usual activities. This occurring issue requires each individual to adapt and adjust to this new norm (Aziz, 2020). The implementation of this MCO has also had an impact on the employment sector that causing many individuals to lose their jobs.

## 2. METHODS

This study is a literature survey. Data were obtained from internet sources, specifically from articles in international journals. Data were used as literature, collected, reviewed, and compared with current conditions.

## 3. RESULTS AND DISCUSSION

### 3.1. General Impacts of Unemployment in Malaysia

The Expectancy-Value Theory (EVT) introduced by Martin Fishbein in the mid-1970s is a cognitive-motivation-based theory that links the level or strength of individual motivation to achieve certain goals based on expectations, incentive value, and strength toward the desired goal. For example, looking for a job to earn money for a source of income and life. According to Feather (1992), the strength of a goal is derived from the value (benefits that will be obtained) from the goal because this value will function as a criterion that determines the attitude and behavior of individuals. In addition to paying attention to how individuals evaluate jobs such as skill application, skill diversity, and job influence (Feather & O'Brien, 1986), EVT also emphasizes commitment to work. In EVT, unemployed individuals who highly value work are willing to perform various behaviors to get a job and are willing to spend all their physical, mental, and emotional energy looking for a job (Hafitah & Sakti, 2022).

Therefore, in discussing the problem of unemployment in Malaysia, combining SCANS and EVT models is very relevant in helping individuals who are faced with unemployment issues. Unemployed individuals should have a goal towards employment that includes elements of self-confidence, optimism, and placing high benefits from employment. Thus, it will produce encouragement (motivation) towards achieving the desired job. It needs to be enhanced with

the skills mentioned in the SCAN Model. The unity in this combination is significant in producing a plan to overcome the increasing unemployment rate during the COVID-19 pandemic.

There is a lot of research work showing that unemployment can worsen mental and physical health. The problem of unemployment and mental health are interrelated with each other. Unemployment can be a psychological stress. This new and uncomfortable situation can cause excessive stress to affect an individual's mental health. For example, the individual will experience serious stress leading to the occurrence of suicide cases. When an individual loses a job, not only loses a steady source of income but also loses relationships with colleagues, daily structure, and the importance of personal goals. The high unemployment rate also affects the social aspects of individuals. This group tends to get involved with social problems because of the lack of income sources to continue life and start considerations that encourage them to get involved with social problems such as criminal problems. The changes that occur in a person's life require him to change the daily routine that has become a habit (Hashim *et al.*, 2021). The problem of unemployment causes many youths to be out of work and are likely to experience a loss of income. The increase in the cost of living and inflation further complicated their situation until they became involved in street crime cases such as extortion, and even robbery.

Unemployment also has a great impact on a country like Malaysia. The first negative effect of unemployment on the country is to reduce national income. This happens when the unemployment rate is high, then the income of entrepreneurs will decrease. This will reduce the amount of company profit tax that can be collected by the government and will further reduce the income of a country. Unemployment also causes labor to lose their jobs and will indirectly cause income tax collection to decrease. A high unemployment rate will increase the poverty rate in the country. Economically, the impact of poverty causes increased government spending. In terms of politics, unemployment affects the political aspect of the country because the administrators find it difficult to manage the policies that have been prepared before. In addition, government aid and incentive schemes that should be distributed to the people cannot be done effectively due to the occurrence of political instability during this pandemic season. As a result, the people will be unemployed and will not have a solution for the problems faced.

Moreover, Hwang (2017) in his study said several factors that drive unemployment such as market conditions, the level of education that is excessive from the job market, the imbalance between individual perspectives and reality, and the gap between the skills and abilities of youth. The economic recession is one of the factors that prompt youth to reconsider their future career path with a more flexible environment (Muiya, 2014). Market conditions also play a different role in influencing employment opportunities. The previous economic studies have focused on the structure of unemployment, which is caused by the natural mismatch between jobs and workers, which is based on job mobility and wage bargaining costs. The unraveled the existence of inconsistencies between the preparation of graduates and also the local job market (Yusof *et al.*, 2013; Makhbul, *et al.*, 2023). This is due to the general view that seems to blame universities for failing to produce graduates who meet the needs of the industry market as well as employers is getting higher. A study by Moreno (2013) also focuses on the inconsistencies of youth in Spain in education and employment which leads to unemployment. The findings of the study state that employers think that among graduates there is a big gap in communication skills and interpersonal skills. Then, followed by ethical

values, thinking skills, leadership, decision-making and problem-solving, teamwork, work planning, and other skills.

### 3.2. Unemployment among Malaysian Youth during the Covid-19 Pandemic

The high unemployment rate among youth is due to a lack of skills such as problem-solving skills and interpersonal skills. Inadequate education and training cause youth to be less skilled in productive employment (Arciosa *et al.*, 2022). The skills to solve problems can help graduates to think critically to solve any problems that will be faced in an organization. Interpersonal skills also help graduates who have just stepped into the world of work to adapt to the new environment and at the same time improve their social relationships with other colleagues. All these skills are important to ensure that a graduate has an advantage over other graduates while helping them to get the job they want. According to the National Economic Advisory Council, lack of skills along with complaints about lack of creativity and English-speaking skills are consistently the main obstacles faced by firms. The issue of graduate dumping in the labor market is not only caused by the lack of graduates in terms of soft skills and employability but is also related to the employment structure in this country which is more concentrated in the types of jobs that do not require graduates at the tertiary level.

Although English is not the main language in our country, to be an employee who can compete and have an advantage over others, is an advantage if a graduate or youth has a good command of English. This can also help graduates to communicate better and can increase their self-confidence when dealing with employers. Weak English proficiency by Malaysian graduates is one of the main causes of lack of self-confidence in interacting which in turn results in them choosing to remain silent (Ismail *et al.*, 2011). The lack of proficiency in English which is the main requirement in a job may be due to the weakness of the graduates themselves who do not want to learn and improve their skills to master the English language which has become a must to get a job. The results of the afterschool.my website taken based on the Job Street survey also found that poor English proficiency, which is as much as 64%, is the reason graduates fail to get a job. This is because most large companies have customers who are mostly from foreign countries. To launch communication and create collaborative relationships with foreign companies, the ability of employees to master English is very important to be competitive.

The unemployment growing rate among youth is also caused by the attitude of this group who often choose work and want a job that suits their soul. This makes it more difficult for them to get a job, especially with the current situation of the country currently being hit by the Covid-19 epidemic. This attitude of choosing too many jobs can have a bad effect on the youth. Graduates do not have jobs due to the attitude of the graduates themselves (Martin *et al.*, 2023). In addition, many graduates do not like to take on challenges in taking the opportunity to learn new knowledge or skills. They do not want to go out of their comfort zone because they are afraid of the risks they will face (Ismail, 2012; Adebayo, 2022).

The increase in COVID-19 cases every day has caused many companies to go out of business and have to reduce their workforce. Most business companies fail to survive and they have no choice, but to close operations to reduce business costs because most companies can no longer afford to pay their employees. Even though there are various aid incentives introduced by the government, it is still unable to bear the cost of the losses faced and resulting in the unemployment rate continuing to rise. This government aid is among others to help individuals who were fired from their jobs and lost their source of income during the COVID-19 pandemic (Calixtro, 2021). Furthermore, the unemployment can

increase the risk of poor mental health and financial stress, with the social isolation caused by COVID-19 having exacerbated these problems, leading to more depression and anxiety among young people (Hunter & Gray, 2012). In 2020, there are as many as 38% of individuals aged between 15 to 17 years old and 34% of individuals aged between 22 to 25 years old have been reported to have a high level of psychological stress (Arpentieva et al., 2022).

Aziz (2020) also conducted a study to identify the impact of COVID-19 on the workforce, models, and factors that affect job availability during the COVID-19 epidemic in overcoming unemployment. The findings are more focused on the exploration of factors that affect the availability of work during COVID-19 such as career programs, incentives to generate income, and initiatives undertaken by the government to help the employment sector as well as workforce skills that are suitable for today's needs. The spread of the COVID-19 pandemic has had a negative impact on the country's economic resources and income. The transmission of this virus also had a negative impact on individuals, families, and even the country. Due to this virus, many manufacturing and service sectors have to go out of business. For example, the manufacturing sector and hoteliers had to bear huge losses due to the lack of customers staying. The same goes for small traders whose businesses are also affected by this pandemic. As for the youth, the issue of the COVID-19 problem has dealt them a great blow. Most of them lost their sources of income and jobs. This is because most sectors had to reduce the number of employees. After all, they could not afford to pay wages due to the collapsing economy.

Consequently, graduates who have just finished their studies are not exempt from receiving the impact of this pandemic; they also have almost the same impact. Most of them still haven't found a job and have to find solutions such as being a food panda rider, grab food, grab car, and so on to continue survival. The employment sector is among the sectors affected by the increase in the unemployment rate in the first quarter of 3.9 percent compared to 3.3 percent in 2019. Through this statistical data, it was also found that the number of unemployed has increased to 610 thousand people (17.1%) compared to 521 thousand people in the same month of 2019. The high unemployment rate in March 2020 is influenced by the negative impact of the MCO on the labor market. This statistic is estimated to continue to increase due to the COVID-19 virus.

To reduce the unemployment rate, the role of the government is seen as very important to help affected individuals to regain their jobs. Among the incentives that the government can do is to hold more TVET skills programs apart from vocational colleges and MARA. Through programs like this, it can help the youth out there improve the skills that are already within them. Quality youth in terms of skills is very much needed in the country. Not only that, the government and the private sector should also provide more job opportunities for the youth. This can help the youth to get out of the unemployment problem. Concerning the National Economic Recovery Plan (PENJANA) involving 40 initiatives worth RM35 billion last June 5, the government announced a total allocation of RM9 billion to deal with the challenges of rising unemployment rates and job retention post-Covid-19. Among the initiatives taken to reduce the unemployment rate which is currently about 3.9 percent is by expanding the Wage Subsidy Program worth RM5 billion. The Wage Subsidy Program has successfully maintained over 2.2 million jobs and the government has agreed to further extend the wage subsidy until a period to be announced later. With help from the government, it can indirectly reduce the burden of the youth and reduce the unemployment rate of the country.

Nonetheless, the youth should be ready to face the challenges ahead. This is because the youth will face unemployment. After all, they have fierce competition in the labor market. Therefore, the youth should prepare themselves mentally and physically. The youth should always be open and always want to gain knowledge to increase their knowledge. For example, today's youth can start small-scale entrepreneurship to cover the cost of living; they cannot just wait for a job from the employer. In addition, this group also needs to create their job opportunities, they need to be more creative. In the situation of this pandemic season, each individual has to think of their solutions to change their lives for the better. Through the gig economy launched by the Malaysian government in 2020, opportunities have been opened up for young people to venture into business to generate income. The gig economy is a free market system where temporary or part-time jobs become the norm and are not tied to long-term commitments with employers (Rizaldi *et al.*, 2020).

#### 4. CONCLUSION

To summarize, the unemployment issue among Malaysian youth stemming from the COVID-19 pandemic can indeed trigger instability if the country fails to control it properly based on the experience of our neighboring countries, especially Indonesia. The government together with the private sector needs to realize how important it is to work together to restore the country's economy in the near future. Without cooperation and collaborative efforts, economic problems will continue to exist, causing many problems for people to find better job opportunities, especially the youth who have yet to find a job.

#### 5. AUTHORS' NOTE

The authors declare that there is no conflict of interest regarding the publication of this article. Authors confirmed that the paper was free of plagiarism.

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