

The Insights of Human Capital Marketability Issues in Education in Malaysia

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Abstract

Human capital is that individuals have the potential to enhance their productive capacity by acquiring additional knowledge and training in various skills. The aim of this paper is to identify the issues of human capital marketability and strategies to overcome the issues. The development of a country heavily relies on human capital, which plays a crucial role in the country's economy. Inefficient utilisation of human capital results in unproductivity, which in turn leads to the issue of unemployment. Issues of human capital marketability such as the lacks of technology integration, inadequate quality of human capital and low investment in education are issues that cannot be underestimated. There are strategies which increases the quality of human capital, social mobility and well-being and it will upgrade the skills of human capital. The strategies that have been designed to increase the marketability of human capital need to be implemented diligently so that all parties benefit from it. Hence, able to produce holistic and balanced human capital while ensuring that the marketability percentage graduates remain high.

Keywords: Human Capital, Marketability, Technology, Skills, Knowledge

Introduction

Human capital refers to the intangible economic worth derived from an individual's expertise and abilities. This includes variables such as education, training, cognitive abilities, competencies, physical well-being, and other attributes that employers highly regard, like as loyalty and punctuality (Widarni & Bawono 2021). According to Merwe (2010), one of the basic tenets of the human capital theory is that individuals have the potential to enhance their productive capacity by acquiring additional knowledge and training in various skills. Both Gary Becker and Theodore Schultz, two prominent economists, made the observation in the 1960's that education and training were investments that had the potential to increase productivity. As the world collected more and more physical capital, the opportunity cost of attending school decreased. This was seen as a positive development. Throughout the years, education has become an increasingly vital component of the labour force (Leoni 2023).

Education is a term that is used in the context of human capital to refer to the process of acquiring information, skills, and abilities that contribute to the overall capacities and productivity of an individual. The idea of human capital is based on the idea that people are assets or resources that can be developed and invested in, in order to increase their economic value. According to Sairmaly (2023), when it comes to the construction and development of human capital, education is an extremely important contribution. It includes both formal and informal processes that individuals go through in order to absorb information, learn new skills, and acquire the knowledge that is necessary for them to effectively contribute to society and the workforce.

Education is comprised of a number of different stages, which include primary, secondary, and higher education, in addition to vocational and technical training. The ability of an individual to carry out responsibilities, find solutions to issues, and manage to changes in the economic and social environment is improved by investing in education, which is why this type of investment is considered to be an investment in human capital. Many people believe that having a workforce that is well educated is one of the most important factors in increasing economic growth, innovation, and general societal progress.

The idea of human capital places an emphasis on the fact that individuals are not merely passive recipients of education but rather have an active role in their own personal growth and development. In order to preserve and improve human capital in the face of ever-evolving technological, economic, and social problems, it is vital for individuals to engage in ongoing learning and skill acquisition throughout their whole professional lives. Education is a basic component of human capital, which contributes to the overall capacity and potential of individuals to make meaningful contributions to the economy and society. In conclusion, education is an essential component of human capital hence the objective of this paper is to identify the issues of human capital marketability and strategies to overcome the issues.

Issues of Human Capital in Education

Lacks of Technology Integration

i. Limited Access to Information

Proficiency in technology is an essential skill in the professional sector. Technologically proficient students have a higher likelihood of securing employment and achieving success in their professional endeavours (Savage & Brown 2015). In the absence of effective technology integration, students may encounter restricted availability of information and resources. This may limit their capacity to obtain current knowledge and cultivate the competencies essential for the contemporary labour market. Diminished adaptability in businesses characterised by constant change, the ability to adapt is a crucial aspect of human capital. Restricted access to information may limit individual's capacity to remain well-informed about industry trends, developing technology and market demands, hence making it difficult for them to adjust to changing situations in the workforce.

ii. Lack of Digital Literacy

Amidst a society heavily influenced by technology, possessing digital literacy is an essential and indispensable ability. Insufficient access to and education in technology can result in students lacking the necessary digital literacy abilities to effectively explore information, cooperate online and adjust to technology-driven work contexts. Insufficient proficiency in

digital skills can have a substantial influence on the knowledge, skills and abilities acquired by individuals.

Digital literacy is now widely acknowledged as an essential aspect of human capital. The absence of digital literacy can have several implications on human capital:

- a) **Employability:** In the current employment landscape, a significant number of career opportunities necessitate proficiency in digital skills. Individuals lacking proficiency in digital literacy may encounter difficulties in securing employment or progressing in their professional trajectories, as companies frequently prioritise individuals who have the ability to navigate digital tools and platforms.
 - b) **Productivity:** Proficiency in digital literacy is crucial for effectively utilising technology to complete tasks, engage in collaborative efforts and retrieve information. Insufficient proficiency in digital abilities can lead to decreased efficiency in multiple domains of both professional and personal life.
 - c) **Entrepreneurship and Innovation:** Proficiency in digital literacy is essential for fostering entrepreneurship and driving innovation. Individuals who have digital skills are more advantageous in initiating and expanding businesses, utilising technology for innovation and adjusting to changing market trends.
- iii. **Insufficient Preparation for the Workforce**
Knowledge and skills in using technology is becoming a must for many occupations. Lack of technological exposure in education might result in students graduating without the necessary skills required in the contemporary workplace, so restricting their competitiveness and flexibility in the labour market.

Inadequate Quality of Human Capital

i. Infrastructure and Resources

Inadequate physical facilities such as infrastructure, outdated instructional materials and lack of educational resources in learning process are one of the obstacles in producing a quality human capital. It is essential for students to have access to physical amenities as stated previously in order to have successful learning and academic performance. Physical facilities were identified as the primary factor contributing to academic accomplishment in the school system (Lyimo, Too and Kipng'etich 2017). The provision of a high-quality education requires the availability of sufficient resources, which must include up-to-date equipment and buildings that are kept in good condition.

ii. Disparities in Educational Opportunities

An unequal distribution of educational possibilities may be the result of socioeconomic reasons. The existence of difficulties that restrict individuals from disadvantaged backgrounds from gaining access to quality education is a factor that contributes to the development of social and economic disparities. The country's education development is significantly affected by a low family income. The consequence of this is a diminished level of children's motivation to persist in their learning endeavours (Nor Azrul & Noordeyana 2018). It may be difficult for certain demographic groups, such as those who come from marginalised areas or who have socioeconomic difficulties, to gain access to institutions that provide quality education. This exclusion contributes to disparities in the quality of human capital across different segments of the population, which in turn reinforces existing inequities based on those segments.

iii. Lack of Relevance to Labor Market Needs

There are several situations in which the educational system could not always be in accordance with the requirements of the labour market. If a curriculum is either out of date or not aligned with the needs of employers, it is highly probable that graduates will not possess the knowledge and skills that are expected by employers. From an alternative standpoint, Noorah et al. (2013) mentioned that the competencies and expertise held by graduates do not align with the demands of the labour market. This would indirectly result in a situation where the demand for jobs by graduates exceeds the current job supply, leading to a direct increase in the unemployment rate in the country, particularly among graduates. This will lead to a decline in the quality of human capital in terms of its capacity to align with the needs of the workforce. Consequently, this might adversely affect the total productivity of firms and sectors, thereby influencing economic performance and the quality of human resources.

Low Investment in Education

i. Inadequate Teacher Training and Professional Development

Teachers have an essential part in structuring the learning experience. Inadequate investment can lead to a lack of training and professional development prospects for educators, so limiting their capacity to embrace modern methods of teaching and remain informed of optimal approaches. The quality of educators is a key determinant in assessing the quality of education. Lack of sufficient training, professional development, and support for teachers can lead to poor instruction, which limits the efficacy of education in cultivating top-notch human resources.

ii. Poor Workforce Productivity

Human capital is the term used to describe the investments made in education and training to enhance the quality of the workforce (Qu & Cai 2011). According to Rizqon et al. (2022), the average labour productivity is rising due to investments in human capital, leading to an increase in the average product of labour. Multiple studies demonstrate that investing in human resources to enhance the quality of economic labour yields the same outcome as investing in physical capital to enhance the supply of production instruments. Inadequate investment in human capital can lead to a workforce that possesses lower levels of skills. Consequently, this can result in decreased productivity, limiting economic expansion and competitiveness.

Strategies to Empower Human Capital Development

Prioritizing Quality of Tvet Over Quantity – Review Programme Offerings

According to Eleventh Malaysia Plan, public TVET institutions continue in evaluating current programmes by ending low-impact programmes, prioritising programmes with high marketability, and specialising in key areas. Consequently, the emphasis will be on enhancing the equipment and machinery rather than constructing new institutions. An industry collaboration hub will be created to facilitate the sharing of resources, such as equipment and consumables, among industry players. This hub will also serve as a platform for developing industry-specific training programmes. According in Mid-term Review of the Eleventh Malaysia Plan, there will be increased and comprehensive efforts to facilitate collaboration between industries, particularly in the areas of curriculum design and implementation of training programmes. The aim is to guarantee that graduates from technical and vocational

education and training (TVET) programmes possess more practical skills and are prepared to enter the industry (Nur Fatin 2015). We shall make focused and coordinated efforts to streamline Technical and Vocational Education and Training (TVET), which will involve maximising the potential of current TVET institutions (Mid-term Review of the Eleventh Malaysia Plan).

Increasing Access to Quality Education and Training

There will be a greater focus on investing in human capital to ensure that everyone has fair and equal access to high-quality education and training. This focus is in line with SDG 4 which is Quality Education which explained that high-quality education will contribute to developing more stable and long-lasting communities by broadening access to opportunities and fostering greater tolerance in society. At every level of education, students will obtain comprehensive knowledge and a wide range of skills to enhance career prospects and stimulate economic development (Adipat & Chotikapanich 2022). During the concluding phase of the Plan, the most importance will be placed on executing three tactics according to the phase.

The reform of the education system in Malaysia, as outlined in the Malaysian Education Development Plan (PPPM) 2013-2025 (Preschool to Post-Secondary Education) and PPPM 2015-2025 (Higher Education), focuses on enhancing the quality, fairness, availability, cohesion, effectiveness, and inclusivity of education. Hence, in order to enhance the standard of fundamental education encompassing early childhood, primary, and secondary education, efforts will be concentrated on enhancing science, technology, engineering, and mathematics (STEM) education, along with proficiency in English language. Additional endeavours will encompass enhancing higher-order thinking skills (HLD) in the realm of education, promoting virtual learning settings, and boosting the cultivation of ongoing professionalism among educators (Mid-term Review of the Eleventh Malaysia Plan).

Increasing Access to Quality Education and Training

Aligned with the PPPM 2015-2025 (Higher Education) policy, there will be an intense effort to enhance the quality of graduates and academic programmes, while also strengthening research capacities. The objective of this plan is to enhance the quality of graduates by focusing on six key attributes: ethics and spirituality, leadership abilities, national identification, language proficiency, critical thinking skills, and knowledge. The objective will be accomplished by using several strategies such as enhancing interpersonal abilities, broadening the scope of entrepreneurial education, increasing industry participation in curriculum design and hands-on training, and reinforcing Massive Open Online Courses (MOOC). MOOC are a modern form of educational technology that was initially used by a Malaysian higher education institution in 2015 (Kumar and Al-Samarraie 2018). The purpose of incorporating MOOC's into the higher education system is to assure the global accessibility of university courses to a wide range of learners and provide students with the chance to engage in a collective and cooperative learning encounter (Hew & Cheung 2014).

To enhance the quality of graduate and academic programmes, the following key actions will be taken: restructuring and discontinuing programmes with low impact, increasing the participation of industry stakeholders in teaching and learning, and implementing the Integrated Graduate Employability Structured Programme (i-GESP). Furthermore, attention will be directed on enhancing the execution of industrial training programmes and industrial certification for students. The initiative aims to provide university students with the essential

skills to enhance their resilience and improve their marketability. Furthermore, there will be a sharp focus on fostering entrepreneurial skills in order to shift the mindset of graduates from being individuals in search of employment to those who generate employment opportunities.

Thus, there will be an implementation of an initiative to enhance the research capabilities at IPT by strengthening the functionality of the Centre of Excellence in Higher Education (HICoE), expanding the commercialization of research outputs, development, and innovation (R&D&I), and ensuring research that is driven by demand ((Mid-term Review of the Eleventh Malaysia Plan).

Conclusion

In conclusion, the marketability of human capital is an important agenda that needs to be given serious attention by all parties involving the government, institute of higher education, industry, students and even parents. The development and marketability of human capital is a critical element in transforming the country's economy towards high income. Issues of human capital marketability such as the lacks of technology integration, inadequate quality of human capital and low investment in education are issues that cannot be underestimated. This problem is often linked to the weak marketability of graduates in marketing themselves in the real world of work. The low quality of marketability of human capital indirectly leads to an increase in the country's unemployment rate. In the long term, this situation will affect the progress and growth of the country's economy.

The strategies that have been designed to increase the marketability of human capital need to be implemented diligently so that all parties benefit from it. The country's desire to produce holistic and balanced human capital while ensuring that the marketability percentage of HEI graduates remains above 80% can also be achieved. So, it is suggested that future researchers study the effectiveness of the programs currently implemented in increasing the rate of marketability of human capital.

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