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Over 1/4 of Malaysian degree holders have jobs unrelated to their qualifications: World Bank

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Over a quarter of degree holders in Malaysia are working in jobs that do not match their qualifications, according to the World Bank. Credit pic: Pexels

KUALA LUMPUR: Over a quarter of degree holders in Malaysia are working in jobs that do not match their qualifications, according to the World Bank.

In its Malaysia Economic Monitor report released this week, the World Bank emphasised that many graduates face challenges in securing high-skilled employment.

The report noted that 26.9 per cent of graduates in 2022 were underutilising their skills, a significant increase from 8.6 per cent in 2010.

"This is significant as degree holders represented 48.6 per cent of the highly educated workforce in 2022," it said.

Diploma holders also face the same issues, despite an increase among STPM graduates.

The World Bank said the insufficient number of highly skilled jobs is the main factor of this trend. Less than 50,000 highly skilled jobs were offered between 2018 and 2023. Meanwhile, 200,000 to 350,000 graduates competed for these jobs each year during the same period.

The report underscored that Kelantan has the highest rate of underqualified employment, with over 50 per cent of skilled workers in positions for which they are overqualified. This rate exceeds the national average of 36.9 per cent.

Terengganu came in second, followed by Perlis, Pahang, and Johor.

In contrast, Kuala Lumpur, Penang, and Selangor have lower rates of job mismatches, suggesting more highly skilled job opportunities in these states.

"Some key strategies to address this challenge include aligning educational curricula with industry needs, strengthening Malaysia's competitiveness to attract quality investment, promoting the creation of high-skilled jobs, and providing lifelong skills that can help navigate the challenging nature of work," the World Bank stated in the report.

It added at a rate of 29.6 per cent of all jobs; Malaysia has more highly skilled workers compared to neighbouring countries like Thailand and Indonesia. However, it still lags significantly behind Singapore, which has a rate of 60 per cent.