



## Are the Malaysian students “unskilled” and “unaware”?

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### Abstract

**Aim:** This paper aims to use a representative sample of Malaysian university students to quantify the prevalence of "unskilled and unaware" phenomena in the country. Lack of generic skills, i.e., being "unskilled," has been cited as a contributing factor to the graduate unemployment problem, which has persisted since the financial crisis of 1998. Still, graduate unemployment cannot be blamed on the "unskilled" alone. The presence of both "unskilled" and "unaware" may be to blame.

**Methodology:** Information is collected through interviews with students and faculty at Universiti Utara Malaysia's Bachelor of Banking program. The questionnaire served as a data collection tool, with answers submitted by students before interviews and by interviewers afterward. Findings were arrived at using correlation and regression analysis.

**Findings:** The findings show that students significantly overestimated their generic skill level in comparison to employer assessments. That the students are "unaware" of their lack of skill. The data also shows that this state of "unaware" correlates strongly with students' lack of competence. It is more likely that the less-skilled students will not know. Consequently, there is a problem of students being "unskilled and unaware" in Malaysia.

**Novelty/Implications:** This research sheds light on why there has been a rise in graduate unemployment in Malaysia, namely, that recent grads lack the necessary skills and experience to find gainful employment.

*Key Words:* Unskilled and Unaware, Persistent Graduate Unemployment, Generic Skills

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### INTRODUCTION

The lack of generic skills, i.e., "unskilled," has been identified as one of the causes of the graduate unemployment problem that has persisted since the financial crisis of 1998. There is no longer any assurance that having a diploma will help you get a job after college. To gain an advantage in the Malaysian graduate labor market, graduates are encouraged to acquire general skills (Lim 2013; Pramela et al. 2014).

Employers frequently express their dissatisfaction with graduates' general skill sets. For instance, the head of human resources at Perusahaan Otomobil Nasional Bhd (Proton, the first national car maker in Malaysia) noted over a decade ago that the company's success at hiring recent college grads demonstrated that Only 49 out of 418 interviewees were successful; the others were eliminated due to communication breakdowns (The Star Online 2004).

Asking for an unrealistic salary/benefits (67%), having a poor character, attitude, or personality (60%), having poor communication skills (55%), having a poor command of the English language (55%), and not having the necessary skills (42%), were the top five reasons for fresh graduate unemployment in 2013, according to a survey of more than 1,000 employers conducted by one of the leading online employment companies in Malaysia, hrefJobstreet.com (Jobstreet.com 2013). That means the skills gap has existed since well into the new millennium.

The next logical question is why this persistent problem of graduates' lack of generic skills persists. Students should be able to boost their employability during their three to four years of college if they realize their lack of soft skills is holding them back. Unemployment among Malaysian college graduates, which experts attribute to a deficiency in "generic" skills, should not persist for nearly two decades.

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## LITERATURE REVIEW

The students should be able to discover by themselves and know well what skills are mostly sought by the employers before their graduation. For example, the skills mostly sought by employer are identified by Atfield and Purcell (2010) for UK students, and Othman et al. (2011) for Malaysian students.

This persistence of lacking generic skills could boil down into the root of unawareness of students on their skill incompetency that is “unskilled and unaware”. The lack of required generic skills is complicated by the overconfidence of graduates on their acquired generic skills, especially among the unskilled graduates. In other words, the unskilled graduates might be unaware of it until they enter into labour market and endure unemployment. Studies have shown that the low employability of graduates tends to be due to overconfident on their generic skills, that is, their self-perceived level of generic skills is higher than the employer’s evaluations (Abas-Mastura, Imam, and Osman 2013; Wye and Lim 2009; Kruger and Dunning 1999; Suhaili, Ahmad, and Ainah 2015; Jacolbia 2016).

Using a sample of undergraduate students, Kruger and Dunning (1999) have concluded that the poor students (in terms of competency) tend to have inflated views of their ability; whereas, Abas-Mastura et al. (2013) found that graduate employees assess their task performance (including generic skills) at a level that is higher than their employers. This overconfident might lead to the persistent of graduate unemployment as the graduates are unaware of their under-skilled nature.

Kruger and Dunning (1999) have coined this overconfidence as “unskilled and unaware”. This phenomenon is also found to exist such that the low performers are least able to be aware of their weakness among the medical professionals (Lipsett, Harris, and Downing 2011).

Moreover, it is found that even the incentives are provided to the poor performers in order to improve their awareness, they are still unaware of their unskilled nature (Ehrlinger et al. 2008). Studies by Schlosser et al. (2013) further validate the “unskilled and unaware” phenomena that it is free from the critics’ “signal extraction” account as raised by Krajc and Ortmann (2008). This phenomenon also could bring harm to the poor performers if they are reluctant to face their unskillfulness when confronted, i.e., a phenomenon of “unskilled, unaware and uninterested”. Sheldon, Dunning, and Ames (2014) have found that there is evidence that unskilled are uninterested to improve even if the feedbacks are obtained.

In Malaysia, there are a few studies that analyze the awareness and readiness of Malaysian undergraduate students towards their employability attributes. For example, Othman et al. (2011) studied the Universiti Kebangsaan Malaysia (UKM) undergraduate’s awareness and readiness towards their employability attributes. Using a sample of twenty three students from various degree programs, they found that overall, students are aware and ready towards employability.

Pramela et al. (2014) interviewed a total of 17 students about their communication skills, research skills, experiences and challenges faced during the industrial training. It was found that the students perceived themselves as having adequate level of English language communication skills. The students were confident that their English language skills are of satisfactory level. Thus, the students perceived themselves as skillful in the related generic skills and ready for the work place. Nevertheless, it is important to note that the level of skills and readiness are as perceived by the students.

There is no matched evaluations by the employers. Thus, the issue of “unskilled and unaware” is still unveiled in Malaysia. One of the practical issues of assessing the “unskilled and unaware” phenomena is how to measure the generic skills of students. Realizing the importance of the generic skills to graduate employability, the Malaysian Ministry of Education (formerly known as Ministry of Higher Education) developed a blueprint for graduate employability skills in 2012.

This blueprint is developed with cooperation from the industry and institutes of higher learning. One of the important contributions of this blueprint is that it outlines and operationalizes the attributes of graduate employability skills: academic, personality management, exploration and connectivity (MOHE 2012).

This blueprint provides an authoritative measurement of graduate employability attributes in Malaysia. It spells out clearly the important generic skills or attributes of graduate employability as required by the industry. The paper uses these employability attributes as measurement of student’s employability to explore the existence of “unskilled and unaware” phenomena among the Malaysian students. Specifically, the aim of this paper is to

evaluate the occurrence of “unskilled and unaware” phenomena using unique data which match the perception of students and employers, to shed light on the literature of “unskilled and unaware” adding the case of Malaysia.

## METHODOLOGY

The students of Bachelor of Banking program of Universiti Utara Malaysia are declared compulsory to have industrial training as part of graduation requirements. The industrial training is treated by some of the employers as a channel to recruit talented graduates for their organization. There were a total of 44 students listed for interview by a total of five interviewers from well-established Malaysian banks in May 2014.

The students and interviewers are the targeted sample of the present study. The questionnaires are distributed to the students before they attend their job interview. After the student attends his or her interview, similar questionnaires are distributed to the interviewers to obtain their rating on the interviewed student. Thus, we obtain two perceptions (student and interviewer) on the student’s graduate employability attributes. We successfully obtained 30 matched and completed questionnaires.

This represents a response rate of 72.72%. The sample characteristics are as follows: majority male (62.50%); Malay (40.60%), Chinese (46.90%), Indian (3.10%) and other ethnicities (9.40%); age between 22 and 25 years (93.75%); CGPA of 3.50 and above (50%), 3.00 to 3.49 (43.75%) and less than 3.00 (6.25%). It is important to note that although the sample size is small, this is the best available data for us to examine the phenomena of unskilled and unaware in Malaysia (which is lacking in literature and to our knowledge, no studies have been done on this phenomenon), at least at exploratory level.

Thus, we decided to proceed with this sample and shed light on the literature for the case of Malaysia. To minimize the small sample bias, we used the bootstrapping techniques with 1,000 replications to validate the statistical results. The graduate employability attributes measurements are constructed based on the National Graduate Employability Blue Print 2012-2017. The blue print outlines the four attributes (academic, personality management, exploration and connectivity) and operationalizes these attributes (MOHE 2012).

There are 3 items each for academic and exploration attributes; 5 items each for personality management and connectivity attributes. These items are measured using 5-point rating scale (1 being “extremely low” to 5 being “extremely high”). Please refer to Appendix 1 for details.

The descriptive statistics analysis, hypothesis test and correlation analysis are performed. The mean differences are used as a proxy to “unawareness” of students on their skills. The percentile scores of employer’s evaluation on the student’s skills are used as a proxy to level of skills of the students. The Pearson correlation ( $r_{xy}$ ) coefficient is estimated to ascertain their relationship:

$$r_{xy} = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\left(\sqrt{\sum_{i=1}^n (x_i - \bar{x})^2}\right) \left(\sqrt{\sum_{i=1}^n (y_i - \bar{y})^2}\right)} \quad (1)$$

where:

x = awareness (mean differences between skills perception of student and employer)

y = skill (percentile scores of employer’s evaluation of student’s skills)

## RESULTS AND DISCUSSION

### Graduate Employability Attributes: “Unaware”

Overall, from Table 1, it is found that the level of employability attributes of the students is at a high level; ranging from the lowest average rating of 3.25 (academic attributes) to the highest average rating of 4.06 (personality management attributes).

This reveals the high confidence of students on their employability attributes. On the other hand, the employers (i.e., interviewers) have their evaluation on the students’ employability attribute as well. Overall, the employers’ evaluations are found to be lower than what have been perceived by the students (see Table 1).

The average score ranges from the lowest of 2.75 (exploration attributes) to the highest of 3.792 (academic attributes). There are around half of the employability attributes rated by the employers below the mid-point of three. These employability attributes are personality management attributes (3 items), exploration attributes (3 items), and connectivity attributes (3 items). It appeared that the students are on average, over-confident on their employability attributes as compared to employers.

Table 1: The student’s employability attributes (self-perception of student and evaluation of employer)

Graduate Employability Attributes (Mean Values)	Student (self-Perception)	Employer (Evaluation)
Academic attributes		
1. University academic performance	3.719	3.633
2. University experiences in preparation for the working environment	3.250	3.792
3. Job knowledge on the discipline of study	3.563	3.500
Personality management attributes		
1. Positive attitude on one’s role in the working environment	3.969	3.100
2. A good sense of responsibility in the working environment	4.063	3.069
3. Ability to adapt in different circumstances (adaptability)	3.906	2.885
4. Ability to lead (leadership)	3.500	2.963
5. Concern for welfare of others (altruism)	3.719	2.846
Exploration attributes		
1. Ability to deal resourcefully with unexpected/unusual problems (imaginative)	3.594	2.680
2. Ability to produce - like nothing done/experienced/created before (innovative)	3.469	2.750
3. Critical and creative thinking	3.581	2.923
Connectivity attributes		
1. Communication skills (ideas and thoughts)	3.625	2.933
2. Communication skills (English language)	3.344	2.933
3. Ability to apply ICT in working environment (technology integration skills)	3.688	2.960
4. Team-working skills	4.031	3.077
5. Commercial awareness of the related industry	3.563	3.036

The mean differences in the employability attributes (between the student’s self-perception and employer’s evaluation) are tested for its significance using paired sample *t*-test. Table 2 presents the results of these *t*-tests. It is found that the mean differences are significant except two (university academic performance and job knowledge on the discipline of study, see Table 2).

mean differences that are significant are all positive except one (University experiences prepare for working environment). The bootstrapping results also show similar results. Thus, statistically, students are over-confident on their employability skills, or they are “unaware” that their employability skills are not as high as perceived by them as compared to the employers.

Table 2: The paired sample *t*-test: Unawareness

Graduate Employability Attributes	Student (S) Mean	Employer (E) Mean	Difference (S-E)	<i>p</i> -Value (Non-bootstrap)	<i>p</i> -Value (bootstrap) <sup>2</sup>
<b>Academic attributes</b>					
1. University academic performance	3.719	3.633	0.085	0.375	0.426
2. Univ exp prepare - working environment.	3.250	3.792	-0.542***	0.001	0.001
3. Job knowledge on the discipline of study	3.563	3.500	0.063	0.662	0.814
<b>Personality management attributes</b>					
1. Positive attitude - working environment	3.969	3.100	0.869***	0.000	0.000
2. A good sense of respond - working envi	4.063	3.069	0.994***	0.000	0.000
3. Ability to adapt (adaptability)	3.906	2.885	1.022***	0.000	0.000
4. Ability to lead (leadership)	3.500	2.963	0.537**	0.016	0.043
5. Concern for welfare of others (altruism)	3.719	2.846	0.873***	0.000	0.000
<b>Exploration attributes</b>					
1. Ability to deal resourcefully (imaginative)	3.594	2.680	0.914***	0.000	0.000
2. Ability to produce (innovative)	3.469	2.750	0.719***	0.000	0.001
3. Critical and creative thinking	3.581	2.923	0.658***	0.000	0.000
<b>Connectivity attributes</b>					
1. Communication skills (ideas and thoughts)	3.625	2.933	0.692***	0.000	0.000
2. Communication skills (English language)	3.344	2.933	0.410***	0.005	0.050
3. Ability to apply (tech integration skills)	3.688	2.960	0.728***	0.000	0.000
4. Team-working skills	4.031	3.077	0.954***	0.000	0.000
5. Commercial awareness of the related ind	3.563	3.036	0.527***	0.003	0.012

Note: \*, \*\*, and \*\*\* represent 10%, 5% and 1% significant level respectively.

Bootstrap on 1,000 samples.

### Graduate Employability Attributes: “Unaware” and “Unskilled”

We further analyze whether this “unawareness” is co-existent with the unskilled. The unawareness is represented by the differences between the perceptions of student and employer (S-E). The high values of (S-E) imply the high unawareness (over-confidence of student).

The unskilled is represented by the percentile score of the employer’s evaluation on the student’s employability attributes (which represents the employer’s evaluation on the student’s skills). The high values of the percentile score imply high skills.

Table 3 presents the correlation between unawareness and skills. If the unskilled exists with the unawareness, we expect there is a negative correlation between the skills and unawareness: the unskilled (low value of percentile scores) is with high values of unawareness.

From Table 3, it is found that among the 16 attributes, all of them show negative and significant cor-

relation coefficients (except two). The results of bootstrapping almost replicate the results: all are having negative and significant correlation coefficients (except four). Thus, there are evidences that the unaware students are likely to be unskilled, i.e., “unaware” and “unskilled” are co-existent.

Table 3: The correlation coefficients: Unaware and unskilled

Graduate Employability Attributes	Unawareness (S-E) and skills (percentile scores)			
	Correlation (non-bootstrap)		Correlation (bootstrap) <sup>1</sup>	
	Coefficient	p-value	Coefficient	p-value
Academic attributes				
1. University academic performance	-0.60***	0.00	-0.32	0.13
2. Univ exp prepare - working environment.	-0.25	0.24	-0.20	0.35
3. Job knowledge on the discipline of study	-0.34*	0.06	-0.28	0.19
Personality management attributes				
1. Positive attitude - working environment	-0.65***	0.00	-0.69***	0.00
2. A good sense of respond - working environment	-0.71***	0.00	-0.67***	0.00
3. Ability to adapt (adaptability)	-0.64***	0.00	-0.64***	0.00
4. Ability to lead (leadership)	-0.87***	0.00	-0.87***	0.00
5. Concern for welfare of others (altruism)	-0.63***	0.00	-0.60***	0.00
Exploration attributes				
1. Ability to deal resourcefully (imaginative)	-0.51***	0.01	-0.48**	0.02
2. Ability to produce (innovative)	-0.58***	0.00	-0.55***	0.01
3. Critical and creative thinking	-0.37*	0.06	-0.36*	0.09
Connectivity attributes				
1. Communication skills (ideas and thoughts)	-0.60***	0.00	-0.59***	0.00
2. Communication skills (English language)	-0.70***	0.00	-0.60***	0.00
3. Ability to apply (tech integration skills)	-0.06	0.78	-0.04	0.85
4. Team-working skills	-0.52***	0.01	-0.52***	0.01
5. Commercial awareness of the related ind	-0.44**	0.02	-0.44**	0.02

Note: Bootstrap on 1,000 samples.

\*, \*\*, and \*\*\* represent 10%, 5% and 1% significant level respectively.

## CONCLUSION, RECOMMENDATIONS AND IMPLICATIONS

In general, we establish that the phenomenon of “unaware” is co-existent with “unskilled”. The students perceived their level of generic skills higher than what has been evaluated by the employers. The students are “unaware”, in particular in terms of employability attributes of personality management, exploration and connectivity. This implies that the students are over-confident on their employability attributes. We use the percentile ranking of scores of employer’s evaluations (on the student’s employability attributes) as a proxy to the level of student’s employability skills. The differences in scores (between the perception of students and evaluation of employers) as a proxy to the unawareness. The results of correlation analysis reveal that the unskilled students are more likely to be unaware. Thus, the phenomena of “unskilled and unaware” exist among the students. This overconfidence could lead to a prolonged unemployment problem in students when they enter into graduate labour market. It offers a partial explanation on why the poor generic skills are consistently found to be an important determinant of graduate unemployment. To reduce the problem of graduate unemployment, it is suggested that the university authorities should identify the unskilled students, inform them on their unskillfulness, and provide them suitable skills improvement program before their graduation.

### Limitations and Future Research Directions

The finding is subject to one important caveat: it is an exploratory study and the finding is needed to be validated by future studies using large samples. Future studies are also suggested to explore further on the causes of occurring of these “unskilled and unaware” phenomena among the Malaysian students.



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**APPENDIX A: The Employability Attributes**

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1. Academic attributes:					
University academic performance	1	2	3	4	5
University experiences in preparation for the working environment	1	2	3	4	5
Job knowledge on the discipline of study	1	2	3	4	5
2. Exploration attributes					
Positive attitude on one's role in the working environment	1	2	3	4	5
A good sense of responsibility in the working environment	1	2	3	4	5
Ability to adapt in different circumstances (adaptability)	1	2	3	4	5
3. Personality management attributes					
Ability to lead (leadership)	1	2	3	4	5
Concern for welfare of others (altruism)	1	2	3	4	5
Ability to deal resourcefully with unexpected/unusual problems (imaginative)	1	2	3	4	5
Ability to produce something like nothing done/experienced/created before (innovative)	1	2	3	4	5
Critical and creative thinking	1	2	3	4	5
4. Connectivity attributes					
Communication skills (ideas and thoughts)	1	2	3	4	5
Communication skills (English language)	1	2	3	4	5
Ability to apply ICT in working environment (technology integration skills)	1	2	3	4	5
Team-working skills	1	2	3	4	5
Commercial awareness of the related industry	1	2	3	4	5

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Extremely low 1 2 3 4 5 Extremely high