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THE NEXT 30 YEARS ARE CRITICAL FOR THE WORLD.

THOSE were the words delivered by Jack Ma, founder of renowned e-commerce giant, Alibaba, during a recent interview.

He went on to say that "every technological revolution takes about 50 years." The last two decades saw the rise of eBay, Facebook, Alibaba and Google. While this is good, he said the world now needs to embrace "the implications of this technology over the next 30 years."

Daunting times ahead? Indeed. But it is all for good. What Ma was referring to is the Fourth Industrial Revolution – also known as Industry 4.0 – that is already taking the world by storm.

The World Economic Forum (WEF) in its *Future of Jobs* report, characterises Industry 4.0 as the developments of genetics, artificial intelligence, networked devices, robotics, nanotechnology, 3D printing and other smart technologies.

We would have come across numerous international articles and reports on growing and emerging industries, jobs to look out for, as well as the skills needed for these jobs. While it's great to understand the changes that are about to unfold in the employment landscape from a global perspective, this does not necessarily paint an accurate picture of job and industry trends in Malaysia.

This week, **Leaderonomics** zooms in on South-East Asian statistics in the WEF report and approach local recruitment specialists and consulting groups to help you prepare for a volatile and complex career journey ahead.

WHAT'S DRIVING THIS REVOLUTION?

The last industrial revolution saw the introduction of digital technology, the Internet and renewable energies. The growth of mobile internet and cloud technology has largely contributed to this new wave of change. See **Figure 1**.

This new wave has in one way or another impacted Malaysia's economic cycle, resulting in a robust transformation of the corporate landscape.

If for instance, a certain industry is doing well economically, demand for industry experts will continue to rise and vice versa, according to ManpowerGroup Malaysia. Thus, some jobs and skills will cease to be relevant, and others will enjoy an upward trajectory.

HOT INDUSTRIES IN 2017!

These are a few possible explanations as to why a lot of businesses were impacted last year: the dawn of Industry 4.0 combined with Malaysia's sluggish economy; the implementation of the goods and services tax (GST); and the rising cost of living.

The country's strongest industries, such as manufacturing, construction, wholesale and retail trade, as well as the service sector, recorded a net balance of -5.8%, -8.3%, -31.5%, and -8.9% respectively in Q4 last year, according to the Department of Statistics. The current unemployment rate stands at 3.5% (a slight increase of 0.1% from December 2015) for a working population of over 14 million.

However, Prime Minister Datuk Seri Najib Tun Razak announced – at the recent 2017 Global Transformation Forum – an increase in foreign investments, which translates to more business partnerships. This is considered a

Prethiba is a writer and assistant editor with Leaderonomics, who is passionate about impacting people through the written word. She is excited about the changes that are coming her way, and hopes that everyone will rally together to support the leaders of our country in transforming the nation.

TOP INDUSTRY AND JOB TRENDS EVERY MALAYSIAN SHOULD KNOW!

AN ANALYTICAL OUTLOOK ON THE BEST AND WORST INDUSTRIES TO WORK FOR IN 2017

Top Trends Impacting Industries

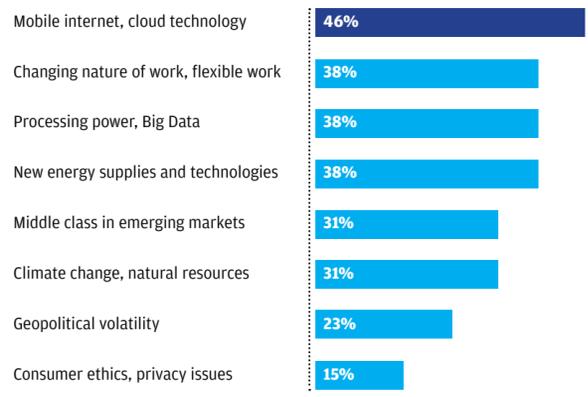


Figure 1: Drivers of change in South-East Asia Countries. Source: Future of Jobs Survey, WEF.

sign of "modest economic recovery". Here is a rundown of the industries (in no particular order) that are expected to enjoy exponential growth this year, based on data collected from Robert Walters Malaysia, ManpowerGroup Malaysia, Hays Malaysia, Human Resources Online and WEF.

1 Information Technology (IT)
Organisations in Malaysia are already reinventing themselves to embrace digitisation, so it comes as no surprise that this field is observing – now and in the future – a steady and strong demand. Software development, data centres, big data analytics and cloud computing are rapidly developing areas.

2 Sales and marketing
Kimberly Lu, a director at Robert Walters Malaysia, says, "One thing that I find universal, even when times are good or bad, is the hiring of salespeople. Because at the end of the day, you need them to push products out. Whereas for an operational role, you can maybe get someone to double-hat or rethink if the position is needed. But sales is sales."

3 Banking and finance
First, there was the enactment of the Central Bank of Malaysia Act 2009 and Financial Services and Islamic Financial Services Acts of 2013 which led to stricter legal and regulatory requirements. Then, there were continued and consistent efforts to strengthen risk management, governance and effective supervision. A combination of the two has resulted in a growing demand in risk, compliance, governance and audit roles in this sector.

4 Global shared services
It was reported that more than 350 foreign and multinational companies have set up shared services centres here in Malaysia, proving this sector's growth capacity while offering a wide-range of job opportunities. Robert Walters revealed that the high demand

for finance and IT professionals could also be attributed to the shared services sector.

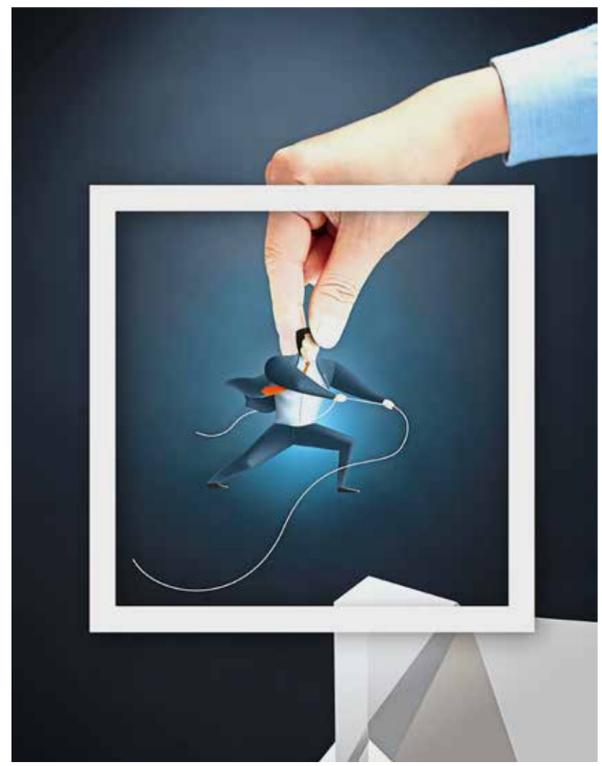
5 E-commerce
According to a Top Markets report, e-commerce adoption rates in Malaysia make up 70% of the population, and this is partly due to the government's effort in pushing for online businesses. Job seekers can definitely look towards this field, as the sector is expected to grow by 34% this year to US\$3.8bil, BMI Research reported. What job seekers may be interested to know is that Alibaba intends to set up a regional distribution hub here, which can only mean more job opportunities.

6 Supply chain
Supply chain includes transportation and logistics. This industry will continue to grow, as Malaysia is strategically located and has easy access to regional resources and supply chains within SEA.

INDUSTRIES TO BE CAUTIOUS OF IN 2017

1 Oil and gas
This is not news to us Malaysians; according to a PwC report, "with prices falling over 60% from highs in 2014 and remaining range-bound between US\$35 and 45 per barrel as at time of writing (May 2016), maintaining the momentum of upstream growth will be challenging." Thus, companies like Petronas have been forced to retrench employees and downsize departments to make up for declining revenues.

2 Retail
DoSM reported that business performance for wholesale and retail trade is expected to continue declining until June 2017, with a net balance of -11.8%. This could partly be caused by the implementation of GST in 2015. However, retail is considered a recession-proof industry, according to Robert Walters, as there will always be consumer demand. Plus, a lot of retail businesses



have embraced e-commerce of late, in tandem with the current consumerism trend.

3 Construction
Similar to retail, the construction sector faces a negative outlook for the first half of the year. However, an increase in the value of construction work (RM32.6bil by the fourth quarter of 2016) and RM260bil pumped into development expenditure by the government, set a positive and sustainable outlook for the industry.

JOB TRENDS TO SEE DEMAND BY 2025

ManpowerGroup Malaysia's country manager, Sam Haggag says, "Jobs that cannot be done by robots or artificial intelligence are the ones that will be in constant demand. These basically include non-repetitive blue-collar jobs like sanitation workers, police, gardeners and skilled traders.

Traditional white-collar jobs (medical, legal and financial) as well as digital or IT-related jobs, including content creators, data scientists and IT professionals will continue to stay in demand for the next decade.

JOB TRENDS TO DIMINISH BY 2025
Repetitive blue-collar jobs, such as those found in the manufacturing sector,

due to the introduction of "disruptive technology", where more banks adopt online transactions.

EVOLVING DEMANDS

Looking at existing skillsets and how things are rapidly changing, 50% of the subject knowledge gained by an individual at the start of their four-year degree could potentially become irrelevant upon graduation.

To address this, it is important for an individual to possess **learnability**. According to ManpowerGroup, learnability is the desire and ability to quickly grow and adapt to remain relevant. Individuals who are willing to learn, have the ability to adapt quickly and are versatile, rank higher on the employability scale in today's dynamic corporate landscape.

As jobs become more data-focused, individuals are expected to possess strong **analytical** and **interpersonal skills**, according to Hays Malaysia's regional director, Tom Osborne. "Client servicing roles in the retail banking sector are increasingly being morphed as relationship managers are required to interpret software-generated results and make sound recommendations to add value to the relationship.

"As programmes and software become more sophisticated, candidates who possess analytical skills to interpret real-time results and strong soft skills to engage with the client will be highly-prized."

Walters revealed that **digital** knowledge and experience are now "nice-to-have". With the growth of e-commerce, experience in digital sales and marketing is in high-demand. Take the retail sector – especially hypermarkets and apparel – for instance: quite a number have embraced online platforms to perform transactions and they certainly require digital transformation experts.

In manufacturing, employers are now looking for those with experience and knowledge in lean Six Sigma (simplified business processes which eliminates the need for redundant roles and resources) and process improvements as they are beginning to look at ways to manage operational costs.

BRINGING IT ALL TOGETHER

Almost every occupation out there is and will be impacted by the Fourth Industrial Revolution and the state of the economy. Roles are changing even faster than we realise, and if we continue to sit idly, we may not have a job in the future.

It is up to the organisation (and individual) to determine the skills and knowledge needed in our respective industries and make an effort to upskill, reskill and even multi-skill if they wish to remain market-worthy. Otherwise, we will be competing with robots and AI for jobs, and we know who would win the race, especially when employers are looking at opportunities to cut costs.

WHITE-COLLAR JOBS THAT WILL CEASE TO EXIST INCLUDE MIDDLEMEN, AGENTS, ENTRY-LEVEL ACCOUNTANTS AND TELLERS, TO NAME A FEW.

Statistics from the Malaysian Employers Federation (MEF) showed that back in 2015, about 18,000 people from the banking line lost their jobs

ARE YOU EMPLOYABLE?

THOUSANDS of people lost their jobs over the last two years. Malaysia's unemployment rate rose from 3.4% in 2015 to 3.5% last year, which means about 14,000 people lost their jobs between 2015 and 2016.

Although the jump of 0.1% may seem too small, in reality, it translates to nearly half a million Malaysians being unemployed. Was this due to the country's economic downturn, or the dawn of the Fourth Industrial Revolution?

Studies show it's both. Due to these external changes, there have been escalated demands for certain skilled talents that are capable of positively impacting business operations, especially during times of uncertainty.

It is common to see an acute talent shortage, skills gap and recruitment challenges during this volatile period and if we look at the state of skilled employees in Malaysia (refer to **Figure 2**), 62% are medium-skilled and only 25% are highly-skilled.

The statistics in **Figure 2** demonstrate that Malaysia has a lot of skilled talent in relation to other countries in the region. Whether or not we are effectively utilising these skills in the right manner, and whether there are plans to upskill the workforce remains to be seen.

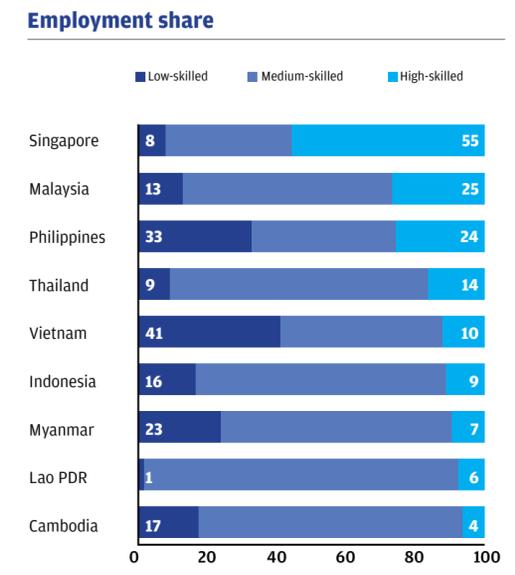


Figure 2: Percentage of Skilled Workers in SEA Countries: Source: WEF

THERE are several future workforce and change management strategies such as job rotations, mobility support, foreign expertise and reskilling exercises, that can be employed particularly for South-East Asian nations including Malaysians. (View **Figure 3** for details)

On reskilling, Johan Mahmood Merican, the deputy director-general at the Economic Planning Unit of Prime Minister's Department, says Malaysian employers have the tendency to underinvest in training and development. This is consistent with data from WEF which states that 40% of employers claimed that resource constraints was an obstacle to embracing industry changes.

An idea Johan put forth is the introduction of "coopetition", which is cooperation between competitors. This is especially important with the increasingly niche and specialised skills needed today.

The concept is that competitors could work together on skillsets required by their sector either through industry-academia collaborations (e.g. helping to develop academic curriculum at universities) or through an industry-wide continued professional development training programme, supported by a

TRY 'COOPETITION'

body. He says in Malaysia, we can already observe 'coopetition' being integrated into workforce planning. An example would be the Industry-Academic Collaboration (IAC) initiative launched by TalentCorp in cooperation with the Ministry of Higher Education (MoHE) and Malaysian Investment Development Authority, which observed 14 employers from the electronics sector working with 10 public universities to close the skills gap.

In the WEF report, rethinking the education system is listed as one of the long-term priorities that will help address the issues we face. Safe to say that the few local sectors already practising this are heading in the right direction and this will hopefully set an example for the rest to follow.

The above is merely one example of how we are already preparing our nation for the future. However, looking at the state of our economy, corporate landscape and employment, a lot more needs to be done and the key to achieving this is **good leadership**.

"It is important to appoint the right leaders for ministries, agencies and enterprises to ensure that transformation happens."
— Tan Sri Abdul Wahid Omar, Permodalan Nasional Bhd group chairman, during the 2017 Global Transformation Forum

Leaderonomics chief executive officer, Roshan Thiran advised professionals, to look to leaders for inspiration and directions.

Therefore, leaders cannot be overwhelmed by the complexities and anxieties surrounding them; rather they must have clarity of goals and vision. "Proactively working to understand the challenges and fixing each piece one by one is critical for success in both the near term and long term," he said.

So, dear leaders across all sectors, age groups and levels, the time is now to initiate and create a change. The rest of us will be with you every step of the way, embracing the tough economy and this new revolution. **Malaysia boleh!**

Strategies

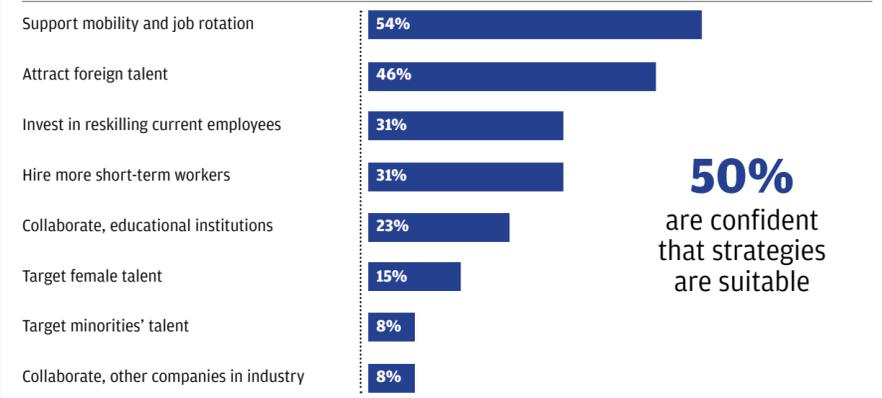


Figure 3: Future workforce and change management strategies SEA countries expect to undertake. Source: Future of Jobs Survey, WEF.

50% are confident that strategies are suitable