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# Do Demographic Factors Affect Speed of Job Placement?

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# Abstract

**Motivation and Aim:** Reopening the economy after a lockdown of almost three months has accelerated the placement rate among unfortunate retrenched workers, thus, signalling that the employment market in Malaysia is still in the recovery phase. However, most of the vacancies on offer are allied to the low-skilled jobs category, and are not aligned to the supply side, which is made up mostly of high-skilled workers. It is this imbalance that motivated this study to examine the importance of educational level in boosting the speed of placements in the post-Movement Control Order (MCO) period.

**Methods and Materials:** Administrative data of a sample of 8,848 jobseekers who lost their jobs and obtained placements from July to December 2020 were provided by the Employment Insurance System (EIS). The ordinary least squares (OLS) regression was utilised alongside other diagnostic tests, namely a heteroscedasticity test, normality test, and misspecification test.

**Key Findings:** The fruitful findings showed that jobseekers with higher education backgrounds took a longer time to receive job placements. Other demographic factors indicated that males seemed to get jobs earlier by two days than females, while married people appeared to get placements faster than singles.

**Policy Implications:** The government's actions in handling the current labour marker issues caused by the pandemic appear to be successful as numerous vacancies are being offered. However, the vacancies do not reflect the needs from the supply side. Therefore, generating high-skilled jobs, rapid involvement in the curriculum of universities, and matching the demands of industries with the supply from universities are some of the initiatives proposed to policymakers to prevent the educational mismatch from dragging on or the unemployment rate from continuing to rise.



**JEL Classifications**
J11, J22, J65

**Keywords:**
COVID-19; Duration of Unemployed, Education, Loss of Employment, Job Placement

# Do Demographic Factors Affect Speed of Job Placement?

## 1. INTRODUCTION

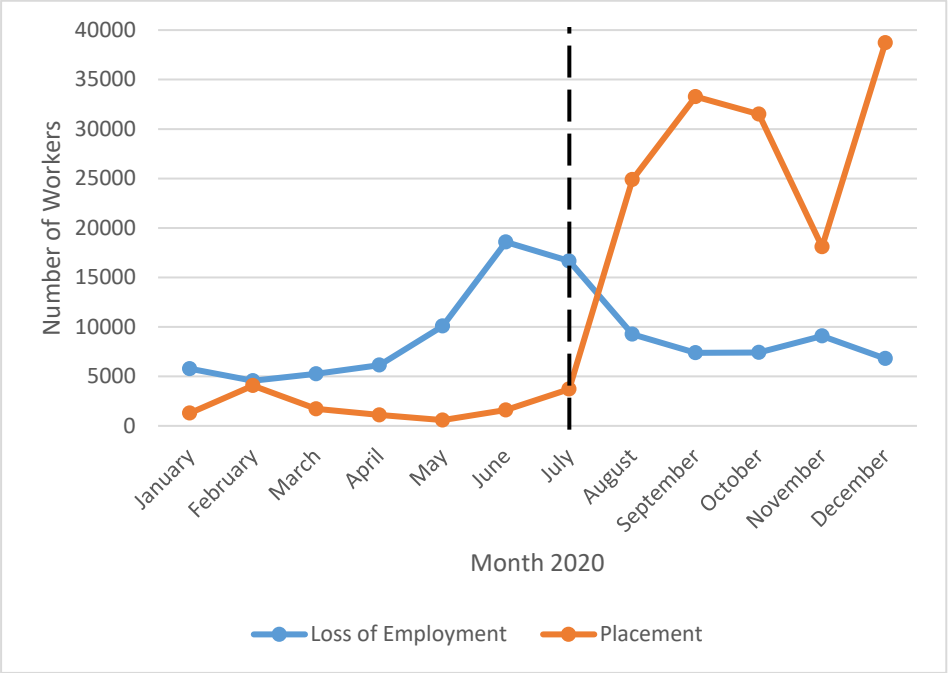
The emergence of the Covid-19 pandemic has led to a domino effect that is threatening the lives and livelihoods of human beings across the globe. The World Bank (2020) projected that many countries would be facing recessions in 2020 as the pandemic will bring down their GDP per capita income to the lowest since it was first recorded in 1870. Meanwhile, the Asian Development Bank (2020) declared that the Covid-19 pandemic would cost the global economy about $5.8 trillion to $8.8 trillion in the second quarter (Q2) of 2020. The World Health Organization (2020) reported that nearly half of the world's 3.3 billion workers are in jeopardy of losing their jobs as the labour force is unable to enter the labour market due to border closures, import barriers, and confinement controls.

The International Labour Organization (ILO, 2021) reported that the global unemployment rate in 2020 rose to 6.5%, which was higher than that of the global financial crisis in 2009. This unnerving phenomenon has triggered governments around the world to take pragmatic actions by providing unemployment benefits for retrenched workers. In the case of Malaysia, the implementation of the Movement Control Order (MCO) in March 2020 forced firms to take the unprecedented action of downsizing inputs and outputs, which significantly reduced their profits. As a consequence of inadequate industrial revenue, more workers are being laid off. Therefore, one of the hiring incentives that is being provided by the Malaysian Government is an unemployment benefit (UB) known as a Job Search Allowance (JSA)[1]. This unemployment benefit, which is provided under the Social Security Organisation (SOCSO) scheme, is meant to assist retrenched employees.

[1] A Job Search Allowance (JSA) is an unemployment benefit that is projected for a maximum of 6 months, with a diminishing marginal percentage of wages.

The unique feature of the JSA is that if jobseekers manage to secure a job within six months, they are entitled to an Early Reemployment Allowance (ERA), which is 25% of the balance JSA payment in a lump sum. This policy is meant to motivate JSA receivers to attempt to secure a job within the six-month period. Based on the Employment Insurance System 2021 Report (EIS, 2021), 4,757 jobseekers benefited from the ERA incentive in the year 2020. These initiatives, together with the government's enforcement of the Recovery Movement Control Order, helped to improve the placement rate (see Figure 1), especially in the third quarter of 2020. Despite the improvement in the labour market, the role of education in helping to accelerate job placements in the post-MCO period is still questionable as the effects of the Covid-19 crisis are still daunting to jobseekers, especially high-skilled jobseekers, because of the limited job offers in the labour market.

**Figure 1**: Loss of Employment and Placement for the year 2020




Source: Employment Information Analysis System (EIAS)

Therefore, the aim of this study was to identify the demographic factors affecting the speed of placements in the post-MCO period. To study the factor of placement speed, administrative data on job placements between 1 July 2020 and 31 December 2020 were obtained from the Department of Employment Information Analysis Services, Employment Insurance System Office of the Social Security Organisation (SOCSO). The contribution of this paper to scientific knowledge is essentially an empirical analysis to determine the demographic factors that drive the speed of placements during this era as such studies are very limited in the current literature. This paper is also expected to provide policy responses that reflect the findings of this study.

This paper is structured into five sections, with the next section discussing related previous studies that guide in understanding the subject matter. Section 3 explains the procedures involved in filtering the data methodology used. The functional form of the regression model and a detailed summary of the measurement used for every variable are also described meticulously in this section. Section 4 discusses the use of the OLS regression analysis to achieve the objectives of the study. Last, but not least, the paper ends with a summary of the overall interpretation of the results, while providing a few policy recommendations based on the insightful findings.

## 2. IMPACT OF UNEMPLOYMENT BENEFITS PRACTICES

According to the standard search-theoretic model, increasing unemployment benefits will lower the net cost to jobseekers in their search for jobs, resulting in an increase in reservation wages, thereby significantly reducing the speed of placements due to the moral hazard (Chetty, 2008). The effectiveness of unemployment benefits has a two-sided effect as it varies across countries. In Australia, a longer period of unemployment benefits (Newstart Allowance)[2] leads to more financial stress as jobseekers

[2] NSA is an Australian income support payment that provides financial assistance to people aged 22 years or older but under pension age who are unemployed or treated as

need to cope with rising costs of living and diminishing reservation wages (Morris & Wilson, 2014). Moreover, those who are entitled to a longer period of unemployment benefits do not show any match in quality, whether in salary or job period (Card, 2007). Schmieder (2016) added that a 6-month rise in the unemployment insurance (UI) period specifically reduces daily wages by 1%. Likewise, Fujita and Moscarini (2017) also found a promising association in Austria between the expansion of comparatively short baseline UI benefits and reemployment incomes. They also found that the unemployment period is negatively associated with income.

Providing unemployment benefits for a longer period has a negative effect on the job search rate (Gutierrez, 2019). Lichter (2016) proved that people who benefit from unemployment insurance for more than two months after their application period are associated with lower job search severity. Meyer (2002) concluded that a massive amount of UI payments is linked to a longer period of unemployment, where jobseekers take a longer time to get placements. On the other hand, a longer job placement period is said to have no effect on the reservation wages that jobseekers receive when they register as unemployed persons (Le Barbanchon, 2017). Nichols (2013) mentioned that although the unemployment rate is declining over time, the duration of unemployment for the individual is increasing.

Moreover, the extended unemployment benefits add a significant positive recovery to the labour market, where the expansion of welfare helps jobseekers to find jobs with higher wages (Barro, 2010; Hagedorn et al., 2015). Recent research in this area has discovered that compensation extensions have a minor impact on individual job search rates and unemployment periods (Farber & Valletta, 2015; Rothstein, 2011). Furthermore, providing adequate time for job searches through extended unemployment benefits significantly enhances job matching (Farooq, 2020). In the United States (U.S.), the UI scheme is considered to be a

unemployed and, unless exempted from mutual obligation requirements. NSA is calculated on a daily basis and is paid in arrears.

success since the replacement rate was 76% during the Covid-19 pandemic, with 60% being granted with the scheme (Ganong et al., 2020).

Apart from providing allowances to jobseekers, unemployment benefits assist them in getting better job prospects and act as a survival income. For instance, the Federal Pandemic Unemployment Compensation (FPUC) in the United States has shown that individuals collecting benefits tend to receive better job offers than those who do not collect benefits (Ganong et al., 2020). Based on the Bureau of Labour Statistics (2021), the unemployment rate in the United States in March 2021 was reduced to 6.0% primarily due to the bold policy measures implemented by the government in ensuring that humanitarian and relief aid reached the most vulnerable people.

In New Zealand, job search assistance seems to be the most effective and least expensive of interventions (Andrews & De Raad, 2009). In Vietnam, the UI scheme has contributed to numerous job placements and vocational training (Park, 2016). Apart from that, Michelacci and Ruffo (2015) suggested that unemployment insurance should be more generous to the young generation who have low savings since it motivates them to pursue jobs.

The impact of unemployment benefits (UBs) on job placements varies across countries. Based on the previous studies mentioned above, it can be summarised that a shorter period of unemployment benefits has a significant and positive impact on job placements. In comparison, a longer period of unemployment benefits has a negative impact on income, where income decreases when the UB period is extended, and jobseekers become demotivated in seeking for jobs.

## 3. EFFECT OF EDUCATIONAL BACKGROUND ON DURATION OF PLACEMENT

The educational background of jobseekers seems to affect their speed of placement. Based on the review, jobseekers with higher education tend to

get placements earlier and go through a shorter duration of unemployment than those without qualifications or with basic vocational or intermediate qualifications for most European countries (Brooks & Youngson, 2016). Li et al. (2008) discovered that students with minor or major specifications are more likely to get hired faster than those without specifications. Additionally, employers see the benefit of replacing jobs with graduates who can bring new talent into their businesses, and provide high-quality work at low cost. Such jobseekers are often hired for permanent positions, which will probably shorten the duration of unemployment for graduates (Brooks & Youngson, 2016).

Nevertheless, being a first-class degree holder in Malaysia is still not a guarantee that the graduate will secure a job on graduation, as the quality of the graduate in terms of skills may still be lacking (Ismail, 2011; Hanapi & Nordin, 2014). Mohamed (2004) underlined as many as eleven reasons that lead to a longer duration of unemployment for graduates, the most common of which is the quality of the education, which may not be related to the working scope of industries. In addition, fresh graduates lack communication skills, especially during a presentation. In line with that, the OECD (2006) reported that the globalisation of higher education has resulted in an overabundance of college graduates, resulting in a competitive labour market. Graduates from tertiary education backgrounds have encountered numerous hindrances and barriers in seeking jobs (FengLiang et al., 2009). Meanwhile, some graduates have accepted positions in which they are insufficiently compensated for their degree, resulting in so-called "over-education" and "crowding-out" issues. (Tomlinson, 2008).

Therefore, Linn (2015) proposed that one way to boost job placement is to make internship a compulsory subject for university students as employers prefer hiring graduates with ample working experience. Plus, internship courses are gradually being touted as a panacea for bridging the gap between employers seeking qualified graduates and the onus of universities to provide quality graduates (Du-Babcock, 2016). Hesketh (2000) found that communication skills, working in a team, problem-

solving, and the ability to learn are the top four priorities sought by employers and that induce fast hiring. Bai (2006) also suggested that Chinese higher education institutions should diversify their curricula and provide graduates with expertise and skills that meet business demands in order to reduce the duration of graduate unemployment.

## 4. VARIOUS DEMOGRAPHIC FACTORS RESULTING IN DIFFERENT SPEEDS OF PLACEMENT

Based on the review, various demographic backgrounds also produce different results for speed of placements. For instance, the labour demand side is concerned about the age factor as they believe that hiring older workers will lead to higher training costs, which will eventually be reflected in a lower demand by firms for older workers (Heywood & Siebert, 2008). On the labour supply side, poor health conditions and poor adaptability levels will lead to a longer job placement period for older jobseekers (Schirle, 2008). Moreover, Gringart and Helmes (2001) believed that discrimination in terms of age results in younger applicants getting a faster response and placement compared to older applicants in Western Australia. In work-related contexts such as recruitment, workforce allocation, performance assessment, advancement decisions, and training, age discrimination can result is biased decision-making, derogatory judgments, and unequal practices (Zacher & Henriette, 2015).

In addition, the race or ethnicity of jobseekers can also affect their speed of placement. In developed countries, ethnic minorities have significantly lower hiring opportunities than the majority ethnic population and take a longer time to get a job placement (Lancee, 2021). Despite the increased achievement, employment conditions are not universally changed after work placements, with more employment drawbacks being observed among Black and minority ethnic (BME) groups. Those with a lower socioeconomic status tend to get placements late and are hardly called for an interview (Moores, 2017). Moreover, discrimination is common among races with a greater social distance from the mainstream, such as in Muslim and African or Middle Eastern countries (Hagendoorn, 1995).

Nevertheless, Khalid (2016) found that ethnic minorities[3] in developing countries, such as Malaysia, tend to get placements first compared to the ethnic majority. It is believed that stereotypes are linked to such systemic cognitive and behavioural tendencies (Cuddy, 2009).

Besides, the role of gender can also affect the speed of placements. For instance, male jobseekers in France and West Germany take a shorter time than female jobseekers to get placements (Lauer, 2003). In addition, they are sometimes justified by higher communal ideals that perpetuate a dominant power structure (Glick, 2013). As a result, males are expected to be better able to step into managerial roles than females, resulting in a lower chance of females being recruited into managerial positions (Eagly, 2002). Carlsson (2011) stated that no signs of gender inequality are being exhibited in the labour market, while Blommaert (2014) found positive factors favouring females over males. Likewise, females are thought to have more communal characteristics associated with a nurturing behaviour, which are favoured by employers (Cuddy, 2014). Married males have traditionally been assigned a social position to make money at work. In contrast, married females have traditionally been assigned the social role of performing domestic duties, thus, reinforcing the notion that males are favoured to be hired faster by employers compared to females (Eagly, 2013).

Furthermore, the factor of the marital status of females was also at the centre of discussions in the literature compared to ethnicity, age, or weight due to its moral justification (Morris, 2007). In urban China, married females and mothers face major drawbacks in terms of jobs and earnings, which have resulted in their late placements (Zhang, 2008). Hughes and Maurer-Fazio (2002) added that marriage significantly lowers the economic status of females compared to males, while single females tend to get placements earlier than married females. Some observational data have shown that industries give greater consideration to single people compared to married people because of the ability and willingness of the former to work longer hours (DePaulo, 2006). Traditional notions of

[3] Out of 3,000 resumes that were sent out, 22.1% of the Chinese applicants and only 4.2% of the Malay applicants were called back for interviews

marriage such as it entails greater social obligations outside the workplace for females can contribute to the belief that married females are less appropriate for jobs than single females (Hoobler, 2009). Married partners tend to get placements late since they can rely on their partner for an alternative income while continuing to receive consistent unemployment benefits, which represent their reservation wages (Ahn et al., 2004).

## 5. METHODOLOGY

This study used the ordinary least squares (OLS) regression method to find the unknown parameters in the model (Gujarati et al., 2012). By using this method, the variance can be minimised without violating the Best Linear Unbiased Estimator (BLUE) assumption (Freedman, 2009). Furthermore, the OLS can detect noisy data in a sample of data and straightaway eliminate that particular variable to obtain more accurate results (Huang, 2018). The majority of the literature used the OLS method because it involves the relationship between two variables, and the incentives of unemployment benefits are limited (Caliendo, 2013). Besides, an Autoregressive Distributed Lag (ARDL) cointegration model was also used in a previous study to find the long-term relationship between the factors and speed of placements (Karikari-Apau & Abeti, 2019).

A few processes are involved in the cleaning of data, starting with the consistency of the data. All the components of various sizes in the sample are considered. The second process is for simplicity, as fractal measurements can be conveniently measured in standard applications such as Excel, SPSS, STATA and Mat lab. In this study, Stata was used as its features are more visible at the advanced end, it is easier to get assistance for Stata, and it is more commonly used in academia than SPSS and Excel (Baum, 2006).

When using a regression analysis to measure fractal dimensions, an adequate data sample needs to be taken into consideration. If these issues are not addressed correctly, the measurement and performance of the study can be negatively impacted. After all the above measures had been

considered, the general functional form of the regression was constructed as follows:

$$Duration = \beta_0 + \beta_1 Education + \beta_2 Age + \beta_3 Age2 + \beta_4 Gender + \beta_5 Marital\ status + \beta_6 Races \quad (1)$$

where the descriptions of the variables are explained in the Table 1.

**Table 1**: Variables, Descriptions and Abbreviation

| Variables | Descriptions | Abbreviation |
|---|---|---|
| Duration | Duration is taken from the period of being unemployed until secure a job. Duration is being measured in days. | *Duration* |
| Education | Education has been divided into 2 categories where High education = 1 or Low education = 0<br>High education incorporated from Diploma, Degree, Master and PhD.<br>Low education consists of UPSR, PT3, SPM & STPM. | *Dum_Education* |
| Age | Age of candidates is in continuous numeric. | *Age* |
| Age Square | Age square has been included in this study to find the long-term impact of age on the duration to get placement. | *Age2* |
| Gender | Dummy Gender is being used as Male = 1 and Female = 0 | *Dum_Male* |
| Marital Status | Marital Status has been divided into 2 categories, namely Married =1 or Single = 0. | *Dum_married* |
| Races | Malay coded as 1 while Others as 0.<br>Others compromise of Chinese, Indian, Bumiputera Sabah, Bumiputera Sarawak and Orang Asli (Peninsular). | *Dum_malay* |

Source: Employment Insurance System (EIS), PERKESO

Dummies were used for education, marital status, gender and race because these variables have more than 2 attributes. OLS regression models treat all independent variables as numerical data such as in the form of intervals or ratios. Therefore, the attributes had to be replaced with numerical codes before the OLS regression analysis could be used.

After the variables in Equation (1) had been incorporated into the dummy variables, a new regression model was generated as follows:

$$Duration = \beta_0 + \beta_1 Dum_{education} + \beta_2 Age_t + \beta_3 Age2_t + \beta_4 Dum_{male} + \beta_5 Dum_{married} + \beta_6 Dum_{malay} + \varepsilon_t \quad (2)$$

## 6. DATA

The data were requested from the Department of Employment Information Analysis Services (EIAS), Employment Insurance System. The samples consisted of jobseekers who had lost their jobs and obtained placements between 1 July 2020 to 31 December 2020. The significance of using the data was primarily because the labour market was already in the recovery phase after receiving a tremendous hit from the impact of the Covid-19 pandemic. At the same time, it could also be used to measure how crucial the educational level was to the labour market in the post-MCO period.

The raw data in the early stage was comprised of 51,248 samples. However, some of these samples were duplicates and the questionnaires had not been completed by the individuals as the information was optional. In order to achieve the objective of this study, the educational background together with several demographic variables were required. Thus, these variables needed to be fulfilled if they were to be included in the developed model. After cleaning the samples of blank data, what remained finally were 8,848 samples. These samples were sufficient enough to run the regression analysis following the calculation provided by Bam (1992), which set the minimum sample size at 10% of the population.

The data sample was comprised of individuals aged 18 to 61 years of different educational backgrounds, races, and marital status. The variety of variables created a complex data set. Therefore, some of these variables had to be grouped into new classifications. In research work, it is highly recommended that variables be grouped so that they can be easily interpreted according to the classifications.

## 7. RESULT

Based on the OLS regression result (Table 2), the F-statistic was 3.39, indicating that the model was statistically significant at 5%, while the R-squared and adjusted R-squared were 0.002. This showed that the model explained 2% of the variance. A low R-squared value was obtained

because humans are typically very heterogonous in their attitudes, actions and behaviours, which will tend to have R-squared values of less than 50% (Frost, 2019). Moreover, in binary (0 and 1) modelling, it is very difficult to obtain high R-squared values because the predicted probability values are not very likely to be exactly 1 and 0 (Jones, 2015).

**Table 2**: OLS Regression Result

| No. of Observation | 8,848 | | | |
|---|---|---|---|---|
| F-statistics (6, 8841) | 3.39 | | | |
| R-squared | 0.002 | | | |
| Adj. R-squared | 0.002 | | | |
| Variable | Coefficient | Std. Error | t-statistics | Probability |
| *Dum_education* | 1.766* | 0.909 | 1.94 | 0.052 |
| *Age* | 0.644* | 0.379 | 1.70 | 0.089 |
| *Age2* | -0.008 | 0.005 | -1.61 | 0.108 |
| *Dum_male* | -2.397*** | 0.909 | -2.64 | 0.008 |
| *Dum_married* | -1.980* | 1.066 | -1.89 | 0.063 |
| *Dum_malay* | 0.806 | 0.933 | 0.86 | 0.387 |
| *C* | 55.690*** | 6.615 | 8.42 | 0.000 |

Notes: ***, ** and * referring to the rejection level of null hypothesis at significance level of 1%, 5% and 10% respectively.

### 7.1 Impact of Education on the Speed of Placements

The regression results showed that education had a positive coefficient and was statistically significant. As high education was a dummy for the education variable, jobseekers with high education backgrounds took a longer duration to get a placement compared to jobseekers with low education. This result contradicted the findings in the existing literature (Smith, 2018; Lettmayr, 2012; Lauer, 2003) because of the nature of the job vacancies offered in Malaysia from the demand side is inclined towards low-skilled occupations. According to the EU-ERA Quarterly Report (EU-ERA, 2021), the vacancies available for the fourth quarter of 2020 were more concentrated on the low-skill categories (70% of the total vacancies offered), which did not require jobseekers with high educational skills. Meanwhile, high-skilled jobseekers comprised 45.5% of the total number

of jobseekers, indicating that job vacancies for high-skilled jobseekers are still lacking in Malaysia compared to vacancies for low-skilled jobseekers.

In addition, Ismail (2011) argued that high-skilled jobseekers in Malaysia still lack skills, even if they have outstanding academic achievements. Mohamed (2004) mentioned as many as eleven reasons for the longer duration for unemployed graduates to secure a job, some of which are poor skills and personality. In line with that, the World Bank (2019) reported that enrolment for tertiary education in Malaysia showed a downtrend from 2016 to 2019. As a result, graduates are having a tough time, especially in finding jobs that match their qualifications.

This is a troubling scenario as the contributions of higher education to a complacent future generation appears to be vague. There is concern that the prolonged persistence of this dilemma will push the unemployment rate up among high-skilled jobseekers. The situation will build a sceptical perspective and dampen the motivation of students to achieve their passion in pursuing higher education to the level of a Diploma and Degree. This problem will lead to a catastrophic loss in educational investment and impede potential high-skilled jobseekers, and will eventually demoralise future generations in their passion to enrol in higher education.

### 7.2 Impact of Age on the Speed of Placements

*Age* was shown to have had a significant positive impact on the duration to get a placement, which implied that a one-year increase in the age of jobseekers led to a delay of 0.64 days in getting a placement. The result showed that older adults were hardly getting placements earlier compared to youngsters. It is argued that the reason behind this is the nature of the vacancies that are available in the employment market, where only entry-level jobseekers with less experience are required. The EU-ERA Quarterly Report (EU-ERA, 2021) supports the argument that the vacancies being offered are concentrated in the low-skilled occupations. The nature of the jobs being offered calls for longer working hours, which is not suitable for older workers (Wilson, 2007).

The findings of this study showed that the *Age2* variable was also not significant to show that experienced jobseekers were not affecting the speed of placements in any way. As mentioned above, the *Age2* variable was intentionally included in the model to enable the effect of differing ages to be modelled. Therefore, it was concluded that the nature of the available vacancies influenced the age of jobseekers in getting placements.

### 7.3 Impact of Gender and Marital Status on the Speed of Placements

Both gender and marital status were significant and negatively related to the speed of placements. Here, *Dum_male* and *Dum_married* were used as the dummies for gender and marital status, respectively. Based on the result, it was found that males were getting jobs faster by two days than females. It is believed that relatively fewer jobs were specifically offered for females compared to males, and thus, they took a longer time to get a placement. Huffman (2010) found the same result, and explained that females have little access to the most prominent positions in institutions and to stable jobs, thus forcing them to take more time in seeking other job opportunities.

Furthermore, Blau (2006) stated that females take more time to secure a job due to their salary preference. It is believed that they are paid lower than males for similar positions. Moreover, Petit (2007) argued that job recruiters also prefer males rather than females due to maternity issues, resulting in females having less chances of securing a job compared to males. Tripathi (2012) explained that married females are most vulnerable to stress, which eventually will affect their health. This discourages employers from hiring them, unless necessary. These stereotypes have given rise to the belief that married men are more driven and committed to their jobs, while married females are more motivated and dedicated to their families.

By using *Dum_married* as the dummy for marital status, the regression result showed that married partners tended to get placements faster by two

days compared to single jobseekers. According to Herzog Jr (2000), the married partner is motivated by financial factors to diligently seek for a job to support the family compared to a single jobseeker, even though the latter can work longer hours and has fewer external commitments.

### 7.4 Impact of Race on the Speed of Placements

The *Dum_malay* variable did not have any significant impact on the duration of the placements. This showed that every jobseeker, regardless of their race, had the same chance to get a job placement. In this study, the Malays, who are the majority in Malaysia, were equal with the rest of the races when it came to getting job placements. This scenario illustrated that the employment market in Malaysia is becoming fair and equal in terms of racial discrimination compared to the finding by Khalid (2016). He stated that the ethnic minorities in Malaysia tend to get placements first compared to the Malays. It is believed that stereotypes are linked in a systemic way to such cognitive and behavioural tendencies (Cuddy, 2009).

## 8. ROBUSTNESS CHECKS

In an attempt to validate that the model used is stable and free from econometric problems, we have applied a few diagnostic tests into our model (see Table 3). The Breusch-Pagan Godfrey test that checks the heteroscedasticity test shows that the p-value is not statistically significant at 1% significance level to show that the series is homoscedastic. On the other hand, the Ramsay RESET test was also conducted in this study to ensure that the model has no misspecification errors. The result from the test shows that the p-value is larger than the critical value, which made us failed to reject the null of No misspecification to conclude that the series is away from any biases.

**Table 3:** Diagnostic test

| Diagnostic Test | Chi-Square/ F-Stats | P-value | Conclusion |
|---|---|---|---|
| Heteroscedasticity Breusch-Pagan Godfrey | 1.300 | 0.254 | Series are homoscedastic |
| Ramsey Reset Test | 0.408 | 0.408 | No misspecification bias |

## 9. CONCLUSION AND IMPLICATION

The increasing trend of the placement rate has given rise to the question of whether demographic factors, especially educational background, influenced the speed of placements in the post-MCO period. An OLS regression model was designed and analysed based on 8,848 samples. Interestingly, the findings showed that jobseekers with high education, who were older, female and single spent more time getting placements compared to jobseekers with a low education, who were younger, male, and married, in the post-MCO period. Ethnicity did not significantly impact the placements, showing that every jobseeker, regardless of their race, had the same chance to get a job placement. The results of the diagnostic tests verified the findings as the model was free of any econometric problem.

The main finding of the present study is a signal to policymakers to restructure the economy in the post-MCO period. Finding a fair balance between the talents of the people and labour market demands is critical to ensuring the country fully utilises all the resources at its disposal. The current situation shows that talents are not being fully utilised due to a lack of demand from the industrial side, while at the same time, the supply side keeps producing graduates who are touted as high-skilled employees. In the long run, if this issue is not addressed, there will be an abundance of talents and the existing educational mismatch in the job market will become a permanent one.

Thus, it is proposed more investments be poured into potential sectors that can generate high value-added benefits along the supply chain. This will

not only create more job opportunities for high-skilled workers, but, most importantly, can transform the country into a high-income country. Besides, the readiness of graduates from the supply side to enter the job market should also be emphasised by institutions. The syllabus provided by the institutions should be aligned with the skills, knowledge, and abilities demanded by industries. An ideal way to ensure that the supply side produces graduates who are reliable in meeting the demands of industries seems to be to involve industry players in the development of the curriculum framework. For instance, universities should invite employers to take part as tutors or visiting lecturers in certain subjects that require highly experienced employees. These steps will give some early exposure to university students in certain fields, such as in those requiring technical and analytical skills. Moreover, universities can also conduct field trips to industries during semester breaks, where students can experience a real industrial environment. Last, but not least, matching university courses with the job scope of industries is highly recommended as fresh graduates will have an overall picture of their future job scope. This will boost the hiring rate for candidates with knowledge of the industry rather than having zero knowledge. Hopefully, the proposed initiatives will help to reduce the educational mismatch in the employment market.

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