

# Digital Talent Snapshot in Malaysia

Q2, 2021



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# SOURCES

## **LinkedIn Talent Insights (LTI)**

Extracted from LinkedIn Talent Insights using filtering of 969 digital tech and services related roles identified all industries. The term 'digital talent' used in this document is defined as talents currently employed and having an active LinkedIn profile. All skill-related data on LinkedIn Talent Insights are based on information obtained via users of LinkedIn platform, hence may not be fully reflective of the entire talent ecosystem. Information was extracted on 30 June 2021.

## **MDEC Research**

MDEC research and tracking of digital job vacancies across 5 job portals – LinkedIn, Jobstreet, Monster, Jobstore and Indeed; Limitations to the availability of data filters that is accessible publicly on their respective job portals; Extraction as of 30 June 2021

## **Digital Talent Survey 2021**

A dip stick survey conducted over a 2-week period around end July to early August that covered areas like Recruitment, Retention, University Engagement and Impact of COVID-19. There were a total of 99 respondents to the survey. 86% of the total respondents are from the tech sector, out of which 46% were from Software Development and 20% were from GBS/Outsourcing.

# DIGITAL TALENT LANDSCAPE Q2, 2021 – KEY INSIGHTS

- There are 251,595 digital talents in Malaysia; an increase of 3.4% from Q1 2021.
- Hiring demand of digital talents remains low in Sabah, Terengganu, Kelantan and Labuan.
- 70% of sectors with very high demand for digital talents are from non-tech sectors.
- Majority of companies will continue hiring in the coming year albeit in small numbers.
- Companies prefer skills and attitude over experience and academic qualification when hiring.

- Data Scientists and Data Engineers are the 2 fastest growing job titles in Malaysia.
- Common skills in-demand across Asia are Analytical Skills, Programming and Cloud Computing.
- Machine Learning and AWS skills are highly sought after in Asia but not as high in Malaysia.
- Self-employment/gig work continues to trend as popular jobs amongst Digital Talents in the region.
- Most industry engagements with IHLS takes place at the tail-end of the graduates' journey, which could be a factor for continued talent mismatch.

- There is more supply compared to demand of digital talents in Johor, Penang and Malacca.
- Total digital job vacancies in Malaysia increased by 3.5X to 72,000 jobs over the past year.
- Highest growth in eCommerce, Cybersecurity/Networking and Creative Content/Design vacancies.
- Fastest growing skills in Malaysia are Data Analytics, Software Development and Digital Content Development.

# COVID IMPACT SURVEY – KEY INSIGHTS

## Changes from Previous Survey

	<u>2020</u>	<u>2021</u>
Adoption of digital technologies/platform	19%	48%
Focus of staff re-training in post-COVID	Digital marketing/ Remote working/ Productivity tools	<b>Data &amp; Digital Tech skills</b>
Biggest workforce related concern	Salary/Cashflow	<b>Employee Retention</b>



companies have implemented WFH for at least half their staff



In post-COVID, companies cited the need for assistance in hiring new and on-demand digital talents



# DIGITAL JOB VACANCIES ARE ON THE RISE



Total digital job vacancies **increased by 3.5X** to **72,000** jobs over the past year



Looking for **experienced** talents

## Highest growth in number of vacancies for..



eCommerce



Cybersecurity & Networking



Creative Content & Design

# DIGITAL TALENT DEMAND VS SUPPLY



**251,595** DIGITAL TALENTS IN MALAYSIA ARE ON LINKEDIN

## LOCATION



High supply consistent with demand: **Penang, Johor, Melaka**

## FASTEST GROWING JOB TITLES

### Malaysia

1. Data Scientist
2. Data Engineer
3. Junior Software Engineer
4. Digital Marketing Executive
5. Frontend Developer

### South East Asia

1. Social Media Manager
2. Backend Developer
3. Data Engineer
4. Social Media Marketing Specialist
5. User Interface Designer

## SKILLS

### Demand

- Analytical Skills
- Software Development (SQL, Javascript, Python)
- Cloud Computing

### Supply

- Data Analytics
- Python
- Creative content devt (Adobe, Video Editing)
- Data Entry

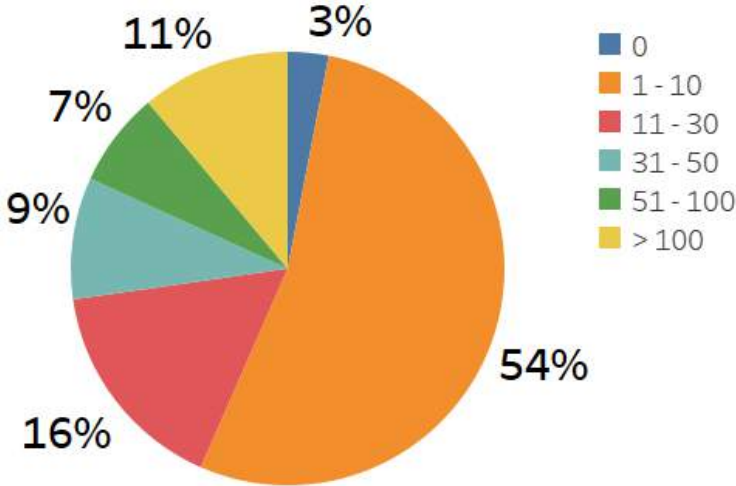
**70%**

Digital Talent hiring demand from **non-tech sectors** – HR, Outsourcing, Management Consulting, Financial Services



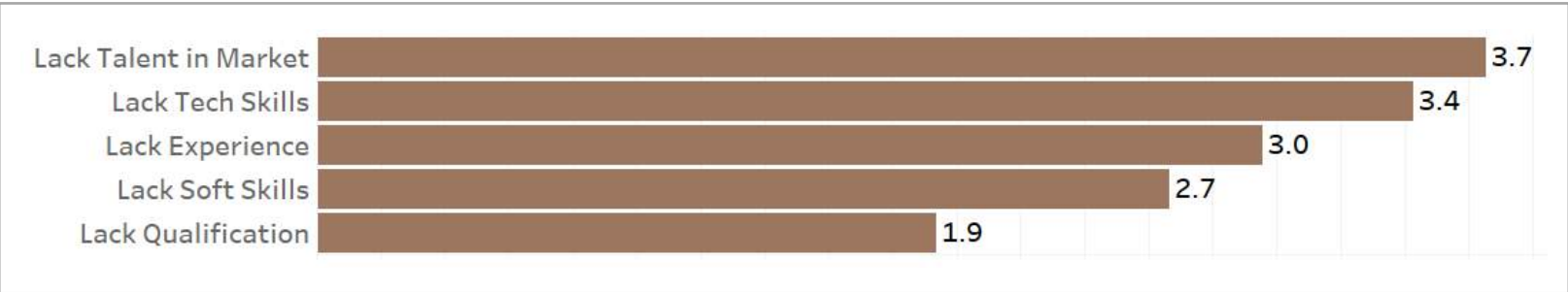
**Freelancer.com & Youtube** are **amongst top 10 companies with highest growth in digital talents** – suggesting rapid growth in the number of digital freelancers.

# COMPANIES ARE HIRING, BUT STILL FACE SHORTAGES OF TALENTS WITH SKILLS AND EXPERIENCE



Majority are hiring <10 pax in the next 1 year

Hiring Numbers over next 1 year



Most significant recruitment challenges are the lack of talents in the market and tech skills

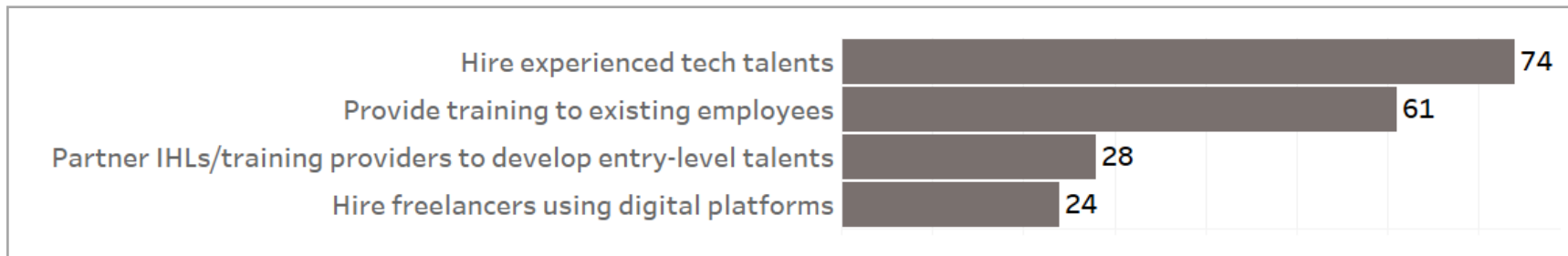
Source: MDEC Digital Talent Survey, 2021



# COMPANIES PREFER TO HIRE EXPERIENCED TECH TALENTS, AND PRIORITISE SKILLS AND ATTITUDE WHEN HIRING



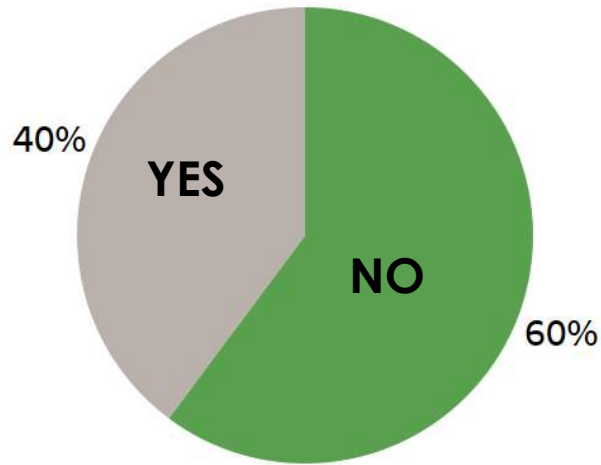
Companies prefer skills and attitude over experience and academic qualification when hiring



Popular recruitment strategies include hiring experienced tech talents and training existing employees

# APART FROM HIRING, 40% OF COMPANIES HAVE DIFFICULTY RETAINING TALENTS; 34% OF COMPANIES HAVE TURNOVER OF >11%

Difficulty in Retaining Talents



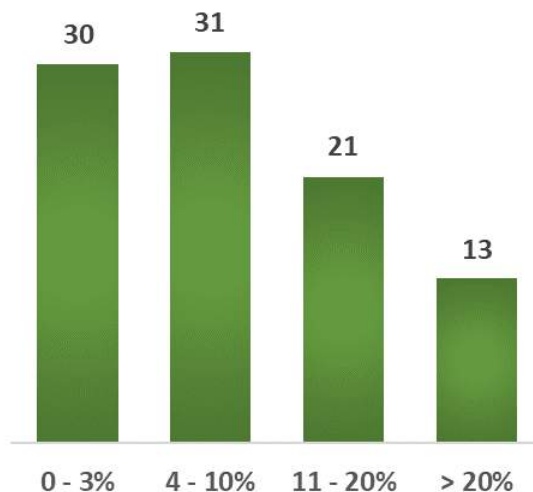
Difficulties Ranked

(Rank: 1 – No Issue; 2 – Minor Issue; 3 – Satisfied; 4 – Major Issue; 5 – Critical)



Although ranked highest, Salary is not considered a major issue

Turnover Rate



34% of companies have a turnover rate of => Global average

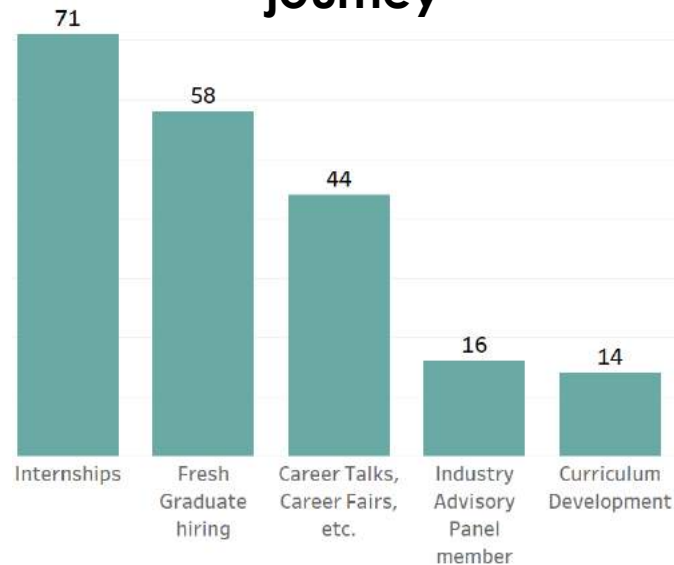
*Note: Global avg turnover for tech industry is 13%*

# TALENT MISMATCH IS STILL A CHALLENGE, POSSIBLY DUE TO HEAVIER INDUSTRY ENGAGEMENT WITH IHLs AT THE TAIL-END OF THE GRADUATES' JOURNEY

## Challenges faced

- Curriculum AND Students skills, attitude, interests inconsistent w/industry needs
- Salary expectations
- Internship duration too short/not guaranteed to be hired
- Communication gaps with unis
- Employer branding

## Most engagements take place at the tail-end of the graduate journey

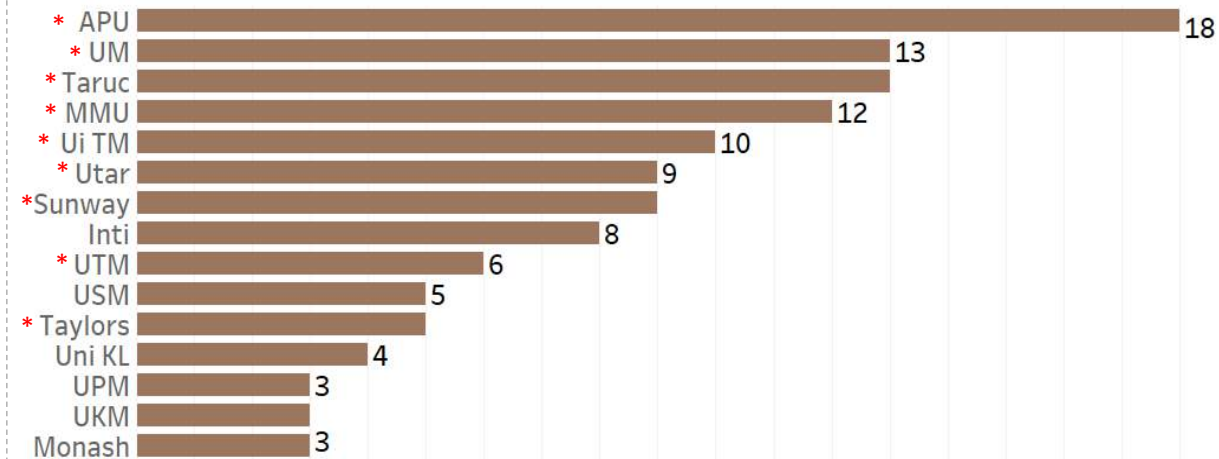


Type of Engagements with IHLs

## Other Engagements Cited

- Lecturer Attachment at company
- Post Graduate collaborations

## \*Universities most commonly engaged are Premier Digital Tech Institutions



## Preferred IHLs Engaged to Source Tech Talents

45

Universities mentioned by survey participants

37%

No IHL preferences

# Impact of COVID-19

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*Findings from the MDEC Digital Talent Survey 2021*

# 60% OF COMPANIES INDICATED THAT THEY HAVE IMPLEMENTED WFH FOR MORE THAN HALF OF THEIR STAFF



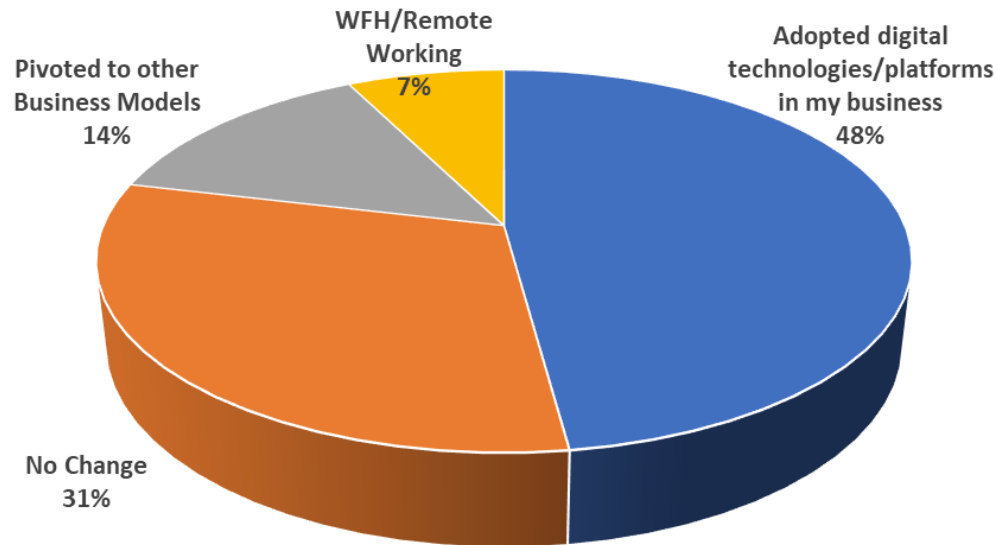
> 75% employees WFH
50 - 75% employees WFH
30 - 49% employees WFH
< 30% employees WFH
Not Implementing WFH

# MORE COMPANIES HAVE ADOPTED DIGITAL TECHNOLOGIES/PLATFORMS DUE TO COVID-19

## Changes to Business Strategies in Response to COVID-19

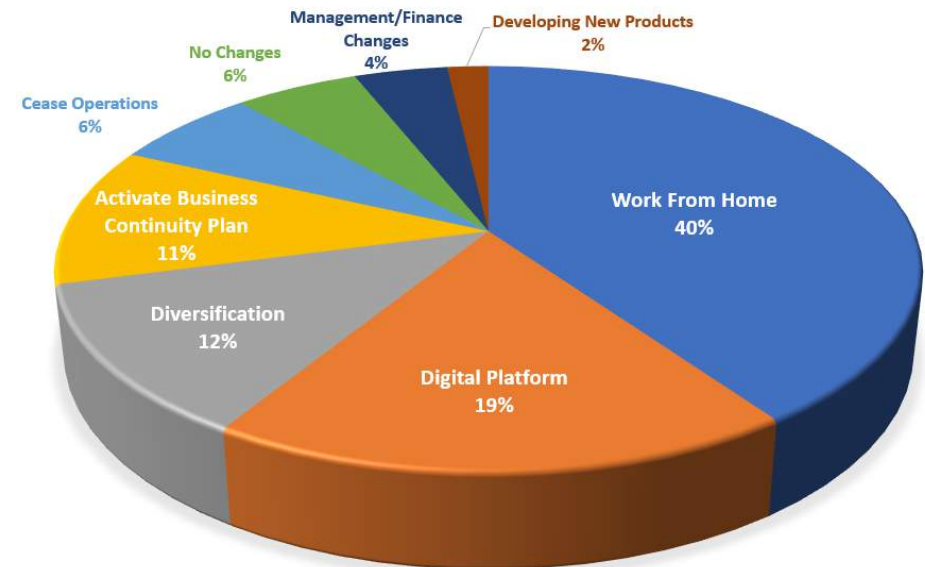
2021

**48% Adopted Digital Tech/Platforms**  
**7% Work from home**  
**31% No change**



2020

**19% Adopted Digital Tech/Platforms**  
**40% Work from home**  
**6% No change**

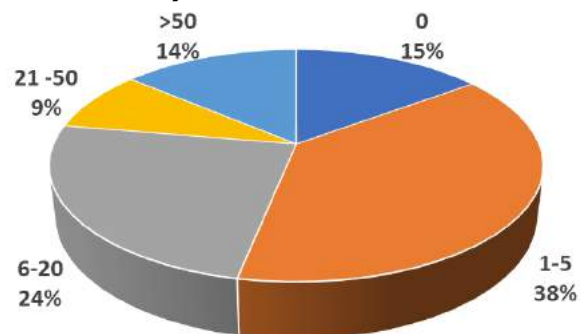




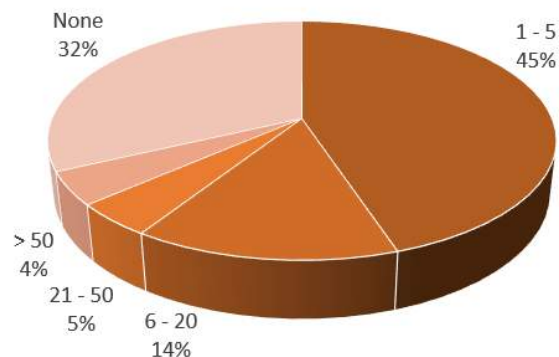
# MORE COMPANIES LOOKING AT RE-TRAINING EMPLOYEES, PRIMARILY IN DATA & DIGITAL TECH SKILLS COMPARED TO 2020

% companies that indicate their staff need re-training

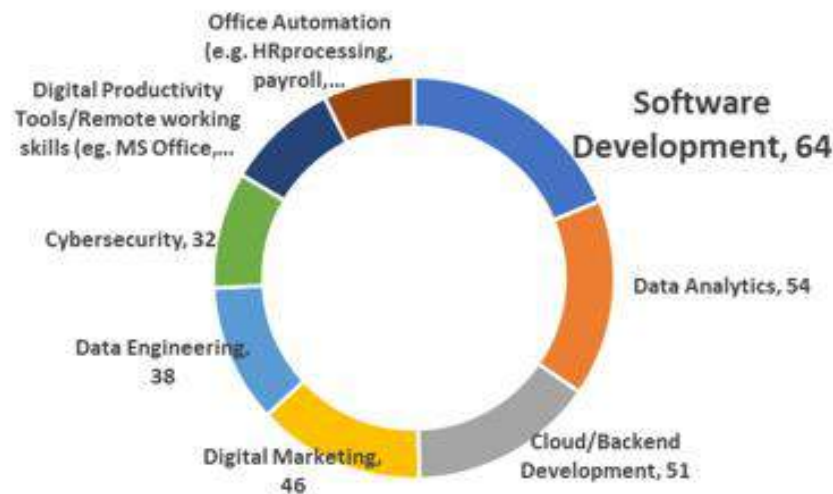
**85% in 2021**



**68% in 2020**

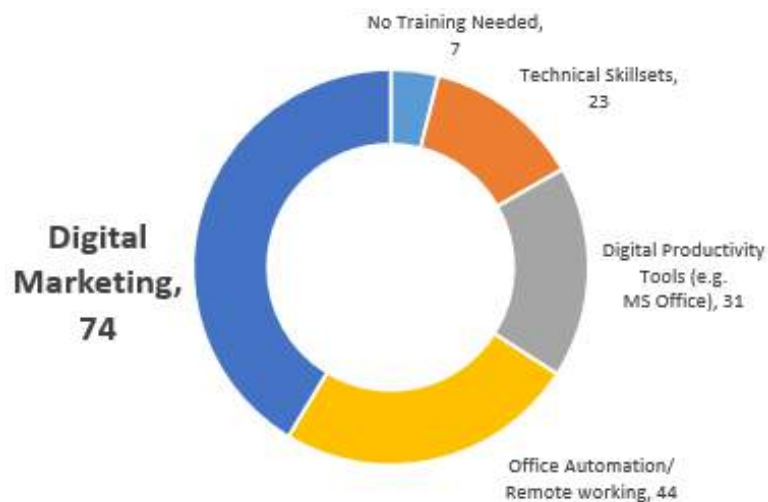


Type of re-training required



**2021**

Focus on data and digital tech skills – software, data, cloud, cybersecurity



**2020**

Focus on Digital Marketing, Digital Productivity & Remote working tools

# TOP OF MIND WORKFORCE ISSUE IS STAFF RETENTION

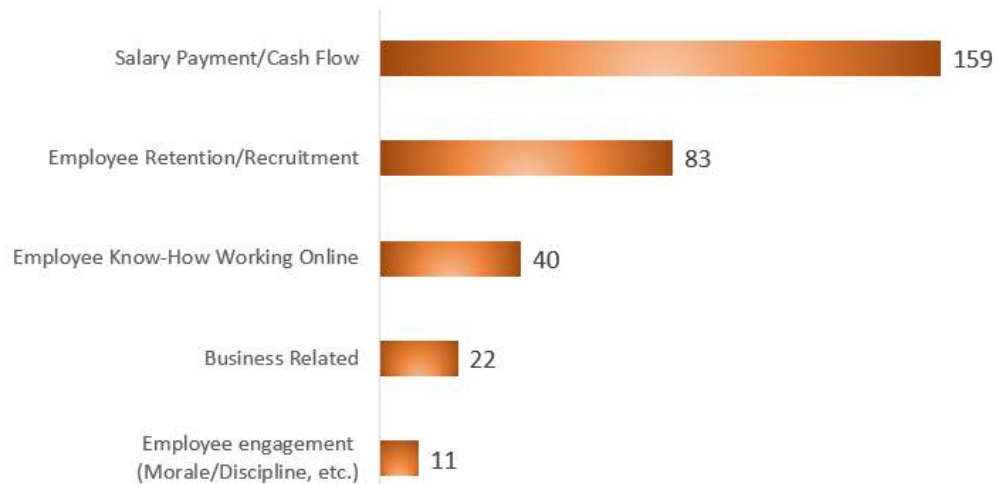
2021

## Workforce related concern is Employee Retention



2020

## Workforce related concern was Salary/Cash Flow

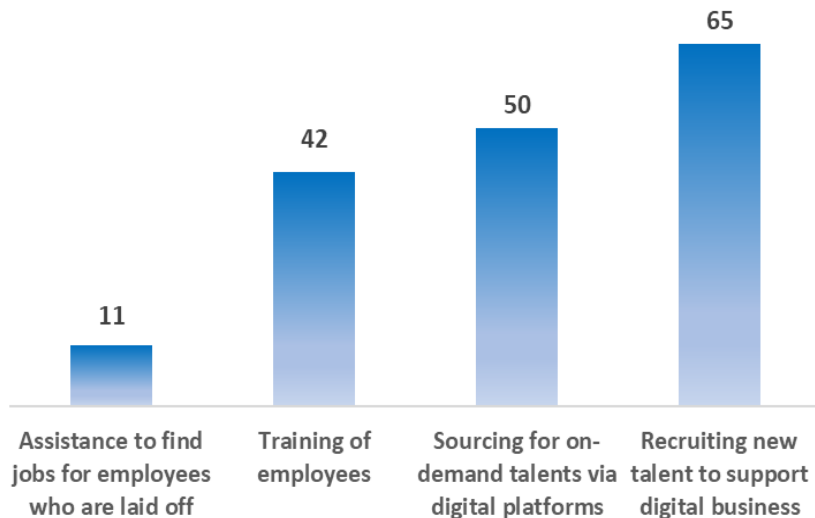


## Other Concerns Cited This Year

- Mental Health
- Moving into physical office
- Coping with work
- Shift of skills to digitalization
- Hiring niche tech skills and talents
- Employee turnover
- Moving company out of the country

# POST-COVID, COMPANIES WILL REQUIRE ASSISTANCE IN HIRING NEW AND ON-DEMAND TALENTS

Type of assistance required  
Post COVID-19



## Other feedback/assistance required

### Incentives

- Lack of awareness
- Make incentives more inclusive for all companies

### Talent Diversity

- Assistance to tap on foreign talents and relax hiring & EP processing for niche tech skills
- Encourage foreign and local talents to work together at all levels

### Training

- Enable more emerging tech skill set amongst our workforce
- Digital re-skilling for individuals who have been laid off
- Current training programs not effective for companies to increase their talent pool

**THANK YOU**

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