ADDRESSING EMPLOYABILITY IN INDONESIA

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For a free and prosperous Indonesia

UNTUK INDONESIA
YANG BEBAS & SEJAHTERA

WHO ARE WE?

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EMPLOYABILITY LANDSCAPE IN INDONESIA
2. EMPLOYABILITY LANDSCAPE IN INDONESIA

THE JOB MARKET POTENTIAL

Top Five Industries (2021)

1. Agriculture, forestry and fishery (38,777,600)
2. Wholesale and retail trade; Car and motorcycle repair and maintenance (25,161,613)
3. Processing industry (17,823,568)
4. Accomodation; Food & beverage (9,167,542)
5. Construction (7,929,651)

There is a growing demand in labor for healthcare, construction, manufacturing and retail as a result of automation.

According to Suharno, Pambudi and Harjanto (2020), the job market in Indonesia has an 85% absorption rate for SMK graduates.

Industry 4.0 could lead to a net job gains of 1-7% by 2028.

It is predicted that there will be 10 million new occupations that has never existed before by 2030.
In February 2021, there were 8.75 million unemployed people in Indonesia. SMK graduates are one of the biggest contributors (11.45%). There is a talent shortage. Many workplaces cannot find graduates qualified enough.

In 2019, 22.6% of youth (aged 15-24) were neither in employment nor in education or training. The impact of COVID-19: Indonesian Ministry of Manpower found that 2.08 million employees from formal and informal sectors took unpaid leave or were laid off. World Bank reported that 300,000 fewer youth entered the workforce.
2. EMPLOYABILITY LANDSCAPE IN INDONESIA

THE DEMOGRAPHIC BONUS

Indonesia will be entering a phase of demography bonus in 10 years

It is expected that in 2030-2040, Indonesia will have a 64% productive age population from a total population of around 297 million
TARGETS FOR IMPROVEMENT
3. TARGETS FOR IMPROVEMENT

SKILLS GAP

Most schools/universities’ curriculums are not demand-driven.

- 32% of employers believe that graduates are adequately prepared for entry-level positions
- 39% of employers believe that graduates have the appropriate “general skills”
- 31% of employers believe that graduates have the appropriate “job-specific skills”

★ Government Regulation 34/2021 eases the process of hiring foreign workers (including graduates), which may affect the competitiveness of the job market
3. TARGETS FOR IMPROVEMENT

THINKING LONG-TERM: RESKILLING & UPSKILLING

Trends in the demands of skills are always shifting

Majority of work hours will be spent on application of expertise, interaction and management

The need for foundational skills

1. Analytical skills → Research, Data management, Financial management
2. Communication → Team work, Negotiations, Strategic partnerships
3. Creativity → Design, Marketing
4. Adaptability → Reskilling, Crisis response
5. Innovation → Problem solving, Leadership
3. TARGETS FOR IMPROVEMENT

KARTU PRAKERJA

While relevant, the program has not targeted “employability” appropriately.

Majority of beneficiaries have low digital literacy, limiting the program’s effectiveness.

The role and responsibilities of EdTech needs to be re-explored. Are beneficiaries really becoming (more) employable?
Innovative teachers guide their students to innovate themselves

- Tentama et al. (2018): when a Teaching Of Training on “Employability Skills” were given to teachers and students, both groups saw improvements in foundational skills (communication and adaptability)

- Teachers are facilitators and advisors, rather than lecturers and order givers

- Li et al. (2020): Problem-based pedagogies increases students’ absorptive capacities, which in the long run impacts their employability
4. RECOMMENDATIONS

HOW CAN WE IMPROVE EMPLOYABILITY?

Public-private partnership opportunities
- *Kampus Merdeka* is a good start
- Increase engagements with SMKs
- Redefine responsibilities in reskilling and upskilling

Teaching quality
- Include “employability” in teacher training
- Grant greater teacher autonomy (*Merdeka Belajar*)

Improving the learning ecosystem
- Outline “employability” within the curriculum
- Increase investments in infrastructure
- *Digital literacy* & foundational skills
Thank You

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REFERENCES


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