

A grayscale map of Southeast Asia and Oceania. It shows countries like Thailand, Laos, Vietnam, Cambodia, Philippines, and Indonesia. Major cities like Bangkok, Manila, and Jakarta are marked. The map includes geographical features like the South China Sea, Philippine Sea, and Indian Ocean. A legend in the top right corner identifies symbols for international boundaries, national capitals, railroads, and roads, along with a scale bar in kilometers. A large red banner is overlaid on the map.

# Empowering The Indonesian Workforce to Face AEC Challenges

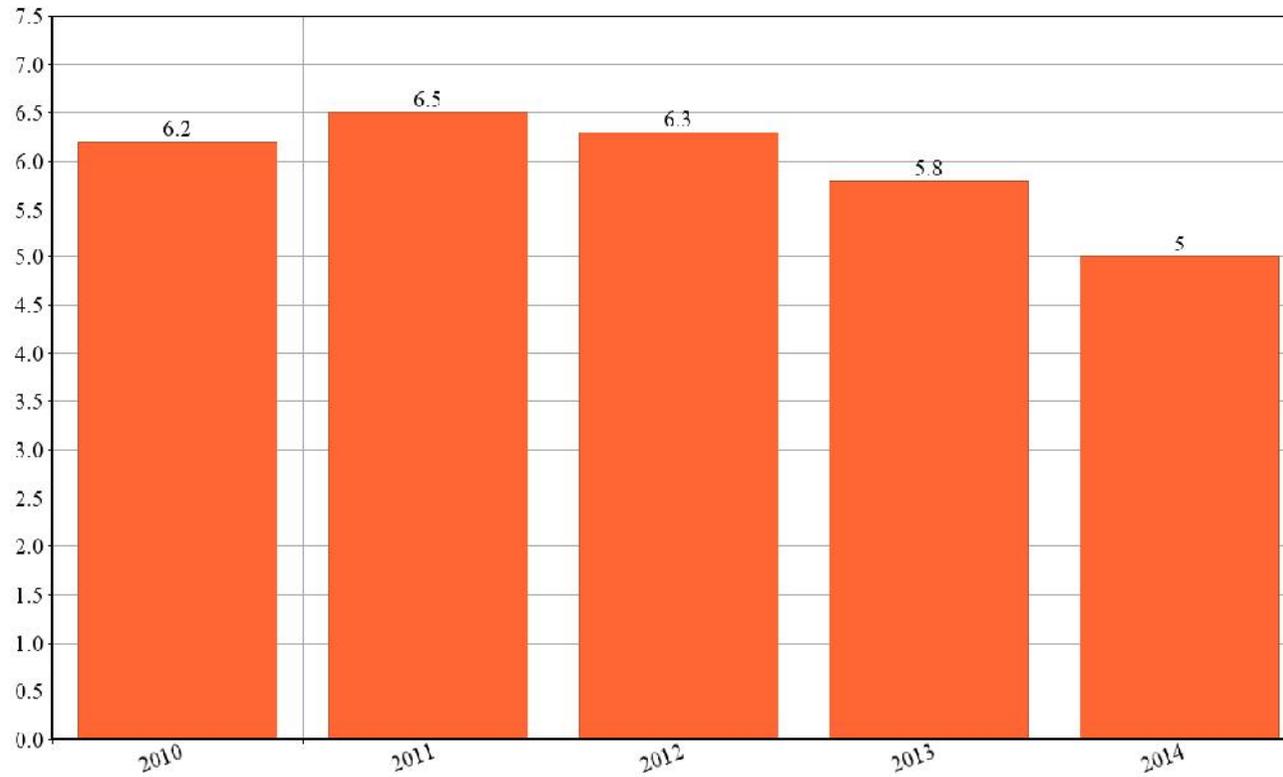
*Increasing Highly Educated Young People Competitiveness  
On The Job Market by Utilizing Self Efficacy Concept*

The 2<sup>nd</sup> International Conference on Human Capital & Knowledge Management  
SBM-ITB, Bandung | February 11, 2015

# Indonesia's GDP Growth

*(data taken from World Bank)*

Indonesia's GDP Growth (annual %)



# Growing Consuming Class

- In 2030, consuming class in Indonesia (people who earn at least USD 3600 or more per annum) will reach 135 million people – 200% increase from 45 million people in 2010

*(quoted from McKinsey's research)*

- Huge number of consuming class in Indonesia means that Indonesia will be a very attractive potential market for multinational companies to build their presence here in Indonesia

# Indonesia's Workforce Problem

*(data taken from BPS-Statistics Indonesia)*

- 66% of total population is a productive workforce aged 15 to 64 years old
- 5,94% of unemployment rate in 2014 ( $\pm 7,24$  million people)
- Over 9% of those unemployed people are highly educated (graduated with a diploma degree or a bachelor degree)

# The Employment Market

## Implication of AEC 2015 in Indonesia

- Overseas talents from fellow ASEAN countries will have more opportunities to work in Indonesia by the end of 2015 / early 2016
- Almost all of those incoming overseas talents will be highly educated (university graduates)
- Almost all of those incoming overseas talents are experienced, or highly skilled professionals
- Those incoming overseas talents are fluent in speaking or writing at least two languages

# Critical Questions

1. How to decrease the unemployment rate (especially for those highly educated young people) when AEC is fully implemented by the end of 2015?
2. What would be necessary to increase the overall competitiveness level of Indonesian workforce talents in the region?

# Effects of Unemployment

- Financial struggle
- Low self esteem
- Helplessness
- Drugs or alcohol abuse
- Violence behavior
- Criminal act
- Suicidal tendencies



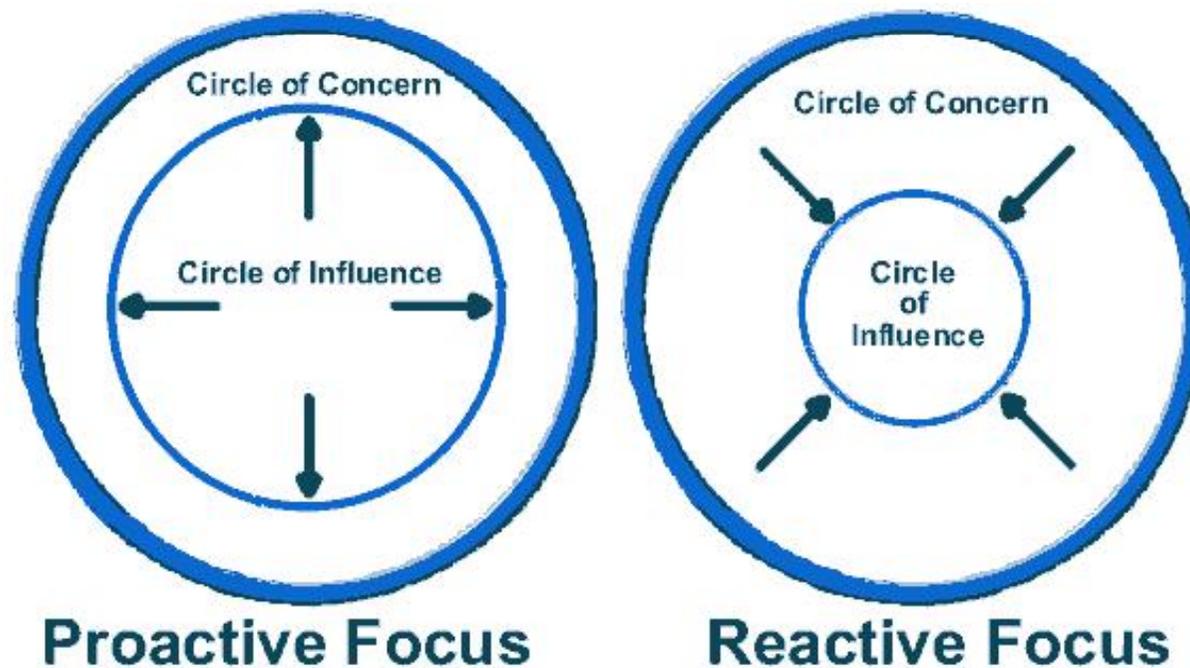
# Suggestions from Employers to Decrease Unemployment Rate

1. Tax incentives for labor intensive corporations
2. No obligation to increase minimum wage each year
3. Create more efficient government bureaucracy
4. Increase government spending
5. Mindset change from applying for a job to creating a job



# However...

Decreasing the unemployment rate is actually easier than we thought, because it is still within our control, or within our circle of influence.



# What is Needed?

- In one simple word: **BELIEVE**
- Self Efficacy = *“the extent or strength of one's belief in one's own ability to complete tasks and reach goals”* (definition by Jeanne Ellis Ormrod)
  - People with high self-efficacy generally believe that they are in control of their own lives, that their own actions and decisions shape their lives.
  - People with low self-efficacy may see their lives as outside their control.

# Why Self Efficacy?

- It's because self efficacy is one of the most powerful motivational predictors of how well a person will perform at almost any endeavor.
- Strong self efficacy will lead individuals to work hard and maintain persistence when facing adversity and hardship in their life.
- Self efficacy is aligned with President Jokowi's "mental revolution" movement.

# The Goals

1. Strengthening self efficacy as an alternative way to empower young people before they entering the job market, so they really believe that they have what it takes to succeed in their life.
2. High level of self efficacy awareness is a valuable mental advantage to achieve a highly successful career in their chosen field.

# 4 Sources of Self Efficacy

## 1. Enactive self mastery

- Breaking down difficult tasks into small tasks which is easy to do to ensure the 'small wins' or slight feeling of successful achievements

## 2. Role modeling

- Observing a friend who is doing a difficult task that the person is trying to do successfully

## 3. Social persuasion

- Positive verbal encouragements from respected others

## 4. Physiological cues

- Positive mood will strengthen self efficacy

# Strengthening Self Efficacy in Real Life

- Optimizing the coaching or counseling function of the Career Center in universities
- Self evaluation utilizing a simple SWOT technique, or more advance personality assessments (*if available*)
- Build a supportive environment; consists of peer group, lecturers, and family
- Exploring the career option and preparing a job search strategy, at least one year before graduation

# What's Next?

- Strengthening self efficacy is similar to building a solid foundation of the person's positive mindset.
- Once a solid foundation of self efficacy has been set, it's time for the person to take over the responsibility of executing his/her career plan and job search strategy.
- In general, workforce competitiveness could be increased in an easier way once self efficacy has been set in place.

# **7 Ways to Increase Workforce Competitiveness**

1. Be passionate on your chosen career.
2. Learn a problem solving skill.
3. Learn to become fluent in English!
4. Embrace latest technology.
5. Be likeable, but focus on productivity.
6. Never stop learning and become certified.
7. Close co-op between universities and corporations is truly necessary.

# Conclusions

1. The demand of qualified workforce will be increasing on the implementation of AEC by the end of 2015, and the job market in Indonesia will be more competitive than ever.
2. In terms of everything related with decreasing unemployment rate, and at the same time increasing workforce competitiveness level by the end of 2015, it is now the time to shift our focus from external factors to internal factors.

# Conclusions *(continued)*

3. Self efficacy is never considered as a crucial part of individual development in Indonesia, but in fact it is one of the most effective way to empower highly educated young people to believe in their own ability to achieve a successful career.
4. Self efficacy would disregard all external factors which is beyond control. Instead, it will focus solely on internal factors which is within control.

# Conclusions *(continued)*

5. Building and strengthening self efficacy for young people could be considered as an alternative way to build 'mental resilience', so they can find the solutions of their own problems, including unemployment and how to increase their competitiveness level on the job market towards the implementation of AEC by the end of 2015.

**THANK YOU**