



HUMAN RESOURCE REQUIREMENTS



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STRATEGIES AND POLICIES

1.01 HRD is a dynamic process which needs to be reviewed periodically, in line with the changing economic and business environment. There are six important components in the HRD framework, which contribute to the development of skilled and knowledge workforce:

- stakeholders' expectations;
- performance-based compensation system;
- planning for human resources;
- basic requirements at pre-employment;
- review of human capital; and
- legislative environment.

There are continuous interactions among the six components, consistent with the dynamic nature of the environment and the need for the continuous development of individuals (Diagram 1).

STRATEGIC THRUSTS

1.02 Nine strategic thrusts have been set for human resource management, planning and development:

- (1) enhancing the institutional capacity for human resource management, planning and development;
- (2) increasing the supply of technically-skilled, knowledgeable and ICT-trained workforce;
- (3) providing greater focus on creativity, innovation and other enabling skills in the educational, and technical and vocational training systems;
- (4) creating a critical mass of local experts in the scientific and engineering fields to meet R&D demand;
- (5) creating a competitive employment environment, which is able to attract and retain the best talents;
- (6) enhancing productivity and competitiveness;

- (7) strengthening collaboration in HRD among the industry, public sector organisations and the academia;
- (8) reviewing laws and legislations to provide flexibility and mobility in employment; and
- (9) intensifying automation and labour saving initiatives.

(1) ENHANCING THE INSTITUTIONAL CAPACITY FOR HUMAN RESOURCE MANAGEMENT, PLANNING AND DEVELOPMENT

1.03 Strategies to enhance the institutional capacity for human resource management, planning and development include:

- implementing the National Human Resource Development Master Plan, based on the Human Resource Framework (Box 1.1). The framework incorporates:
 - human resource planning, covering pre-employment (primary, secondary and tertiary education) and during employment;
 - human resource management, including remuneration and review of human resource requirements;
 - HRD; and
 - review of labour legislation;
- ensuring that *Institut Sumber Manusia Kebangsaan* develops a centralised and comprehensive database system, covering all aspects of HRD and management, as well as monitoring human resource trends and needs. Data availability will facilitate systematic human resource planning, recruitment of expatriates by industry and minimisation of shortages and mismatches of labour and skills;
- reviewing and enhancing the capacity of public sector institutions of higher learning; and
- providing assistance to private sector institutions to assume a greater role in the development of human resources.

(2) INCREASING THE SUPPLY OF TECHNICALLY-SKILLED, KNOWLEDGEABLE AND ICT-TRAINED WORKFORCE

1.04 Strategies to increase the supply of technically-skilled, knowledgeable and ICT-trained workforce include:

- reviewing and enhancing the capacity of vocational schools and community colleges to provide pre-employment training for school leavers and during employment training of the workforce;

- upgrading skills training to school leavers in vocational schools and community colleges to enhance their skills and employability in the fields required by industry; and
- increasing the supply of highly skilled workforce in the 17-23 age group, from the present 30 per cent to 40 per cent by 2010, in targeted industries. The industries include ICT; biotechnology; *halal* industry; petrochemicals; education; tourism, including health and eco-tourism; financial services; logistics; and agro-based industries, including aquaculture and fishery.

(3) ENHANCING CREATIVITY, INNOVATION AND OTHER ENABLING SKILLS

1.05 Strategies for providing greater focus on creativity, innovation and other enabling skills in the educational, technical and vocational training systems include:

- reviewing all curricula to incorporate enabling skills, particularly critical thinking, creativity, innovation, problem-solving and decision-making; and
- instituting benchmarking processes at all levels of the education system to standardise best practices in the education curricula.

(4) CREATING A CRITICAL MASS OF LOCAL EXPERTS IN SCIENCE AND ENGINEERING

1.06 Strategies for creating a critical mass of local experts in the scientific and engineering fields include:

- reviewing the education system (primary, secondary and tertiary levels) to enhance the scientific, technological and business orientation of the school curricula and inculcate an R&D culture;
- enhancing the national capacity for R&D through the adoption of a parallel technical salary scheme at the executive level of the Government service, especially in public sector tertiary level education institutions and research organisations, to provide more attractive career progression for highly qualified technical personnel;
- encouraging a higher enrolment in the tertiary education, especially in technical, scientific and engineering fields;
- targeting to achieve the 60:40 ratio in respect of the enrolment of students in science and arts streams, at the secondary school level by 2010 and at the tertiary level by 2015;
- promoting research activities as part of existing courses, with the collaboration of the private sector; and
- establishing more public-private sector joint research centres in institutions of higher learning.

(5) CREATING A COMPETITIVE EMPLOYMENT ENVIRONMENT

1.07 Strategies for creating a competitive employment environment, which is able to attract and retain best talents, include:

- amending the coverage of the Human Resource Development Fund (HRDF) to include internship programmes;
- improving and strengthening the National Brain Gain Programme to:
 - encourage Malaysian citizens abroad with high knowledge and skills to return; and
 - utilise the skills and expertise of Malaysian talents overseas by enhancing collaboration between them and local experts;
- encouraging foreign experts and professionals, including qualified spouses and foreign retirees, to serve in the country through the simplification of immigration procedures; and
- instituting measures, such as flexi-hours, tele-working and job sharing, to enable highly skilled women and persons with disabilities to join or re-enter the workforce.

(6) ENHANCING PRODUCTIVITY AND COMPETITIVENESS

1.08 Strategies to enhance productivity and competitiveness include:

- setting up a panel of experts to review labour legislations. The panel will comprise representatives from the Ministry of Human Resources, Economic Planning Unit, Ministry of International Trade and Industry (MITI) and members of the private sector;
- promoting and enhancing the implementation of the PLWS in the private sector;
- encouraging employees to continuously upgrade their knowledge and skills through training, such as in business enabling skills and lifelong learning, to keep pace with technological advancements; and
- enhancing opportunities for more on-the-job training and knowledge acquisition, as well as inculcating a culture which encourages innovations and creativity.

(7) ENHANCING INDUSTRY-PUBLIC SECTOR-ACADEMIA COLLABORATION

1.09 Objectives of the strategies to enhance industry-public sector-academia collaboration are to:

- ensure that the output of the education system is able to meet the requirements of the industry;

- facilitate the sharing of knowledge between the industry and the academia, as well as contribute towards more market-driven R&D;
- evaluate existing academic and industrial training systems to:
 - identify factors contributing to the mismatch in supply and demand of skilled and competent human resources; and
 - promote the effectiveness of skills training programmes to enhance the employability and productivity of the labour force; and
- recommend strategies, policies and programmes for the development of skilled and competent human resources through:
 - curriculum development;
 - industry-academia collaboration in industrial training;
 - greater flexibility and mobility of expertise between the academia and the industry and vice versa; and
 - improvement in data management and dissemination of human resource information.

1.10 Strategies at the levels of industry, the Government and institutions of higher learning include:

Industry

- creating more opportunities for undergraduates to undergo training at industry premises during their studies; and
- enhancing collaboration with institutions of higher learning in:
 - R&D; and
 - designing programmes for the continuing education of workers, particularly those from small and medium enterprises (SMEs), in the areas of international and domestic marketing, entrepreneurship, finance, management and governance;

Government

- encouraging the greater utilisation of the HRDF, so that companies, especially SMEs, will be able to benefit from their contributions;
- improving and upgrading the industrial training and internship programme;
- encouraging employers to intensify their involvement in the industrial training and internship programmes for undergraduates. In this respect, the appropriate legislation will be amended to facilitate such involvement;
- facilitating industry-public sector-academia collaboration; and
- improving data management and dissemination of human resource information; and

Institutions of Higher Learning

- enhancing the collaboration with industry at all levels of curriculum development;
- extending the internship programme to all tertiary level students and instituting a system of granting appropriate credit hours for this programme;
- encouraging all tertiary level education institutions to promote their alumni activities to include knowledge sharing and enhance networking, as well as increase alumni support for the institutions. Tertiary education institutions will also be encouraged to continue to be engaged with their graduates, to provide re-skilling, where necessary, and make known their job placement rates; and
- encouraging the movement of experts between the academia and industry, to increase the availability of expertise, and enhance knowledge creation and sharing between the academia and industry.

(8) IMPROVING THE LEGAL ENVIRONMENT FOR EMPLOYMENT

1.11 Strategies to improve the legal environment for employment involve rationalising and reviewing laws and legislations to provide flexibility and mobility in employment. A panel, comprising experts on labour practices and legislations, will be set up to review labour legislations to facilitate:

- continuous promotion of performance-based remuneration systems, for example, the PLWS;
- multi-skilling and multi-tasking;
- part-time work, flexi-hours, tele-working, outsourcing and job sharing;
- transparency in communication between employers and employees, as part of the efforts to promote industrial harmony; and
- internships and other forms of practical training for students.

(9) INTENSIFYING AUTOMATION AND LABOUR SAVING INITIATIVES

112 Strategies will focus on optimising human resources, including through:

- encouraging companies to automate their manufacturing processes; and
- encouraging the outsourcing of non-core and labour-intensive activities to potentially productive groups, including persons with disabilities and retirees. For seasonal and temporary jobs, students will be allowed to be recruited on a part-time basis.

Box 1.1

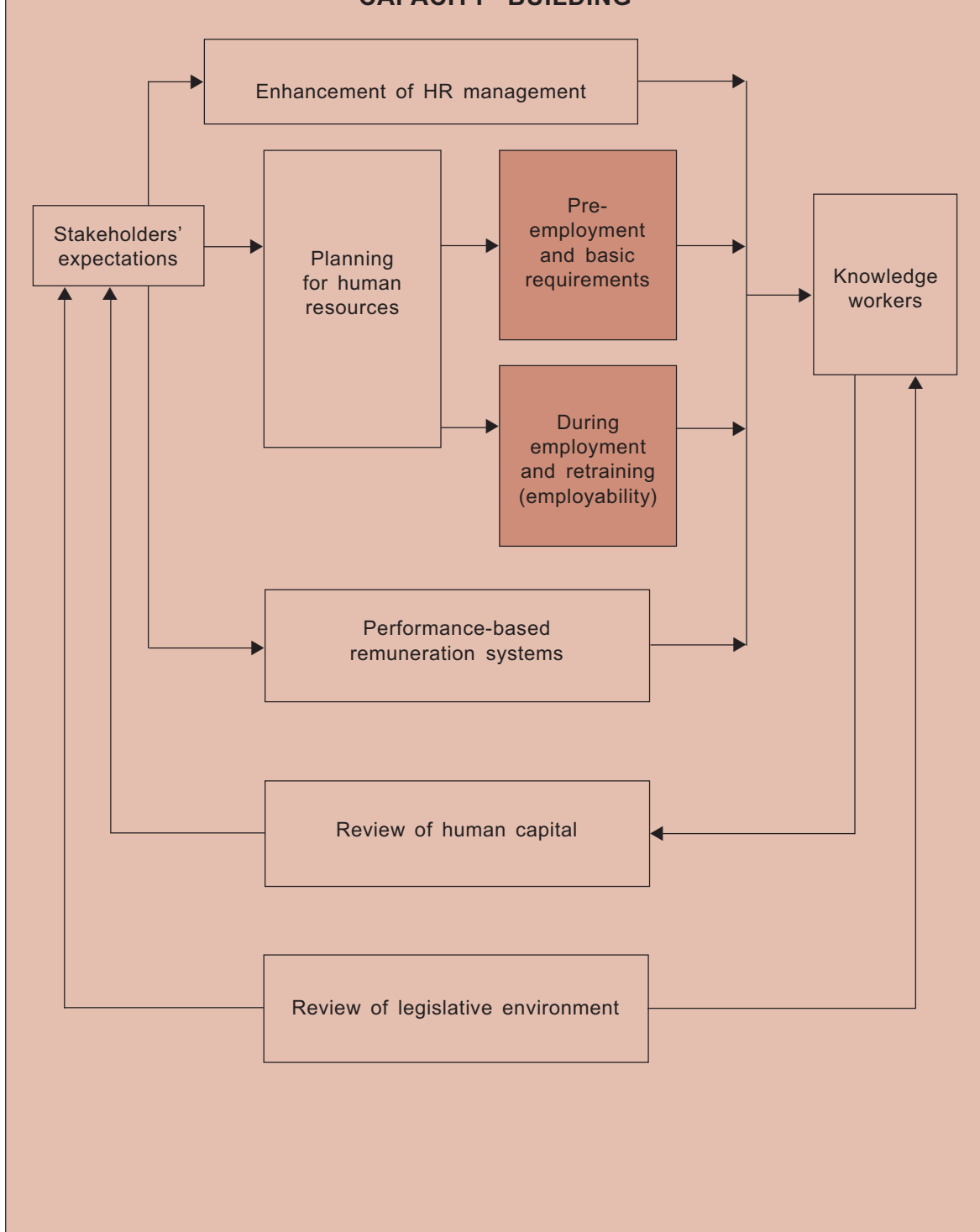
Human Resource Development Framework for Capacity Building

Malaysia is being transformed into a knowledge-based economy. Knowledge workers have an important role to drive economic growth.

In the knowledge-based economy, employers need to view and treat workers in a new perspective. Workers can no longer be viewed and treated as mere assets or costs to organisations. They need to be treated as 'investors' who invest their capital (qualifications, competencies, skills, time, motivation and experience) in the organisation which they serve. In the absence of appropriate treatment and remuneration by the organisations, the knowledge workers, as investors, can take their capital elsewhere. In a liberalised environment, knowledge workers are highly mobile, thus posing a challenge for employers to retain them.

Capacity building of human resources focuses on a series of actions directed at developing individuals to enhance their knowledge, skills and understanding. This, in turn, develops the attitudes needed to bring about the desired developmental changes. Based on these requirements, the following concept of HRD framework for capacity building is developed, as shown in Diagram I:

DIAGRAM 1

**HUMAN RESOURCE DEVELOPMENT FRAMEWORK FOR
CAPACITY BUILDING**

HUMAN RESOURCE DEVELOPMENT FRAMEWORK

The framework depicts HRD as a continuous and ongoing process, which evolves through various stages of development. The stages need to be reviewed periodically, to adjust to the changing environment in the short, medium and long terms.

There are nine important components in the framework:

- stakeholders' expectations;
- enhancement of human resource management;
- performance-based remuneration systems;
- planning for human resources;
- pre-employment and basic requirements;
- during employment and retraining (employability);
- knowledge workers;
- review of human capital; and
- review of legislative environment.

There are continuous interactions among the nine components, consistent with the dynamic nature of the environment and the need for continuous development of individuals.