Targeting talent

The success of Malaysia’s economic transformation will rely greatly on the quality of its workforce. Recognising this, the Economic Transformation Programme (ETP) has identified Human Capital Development as a Strategic Reform Initiative that cuts across all 12 National Key Economic Areas (NKEAs). The challenge ahead should not be underestimated. Last April, the World Bank Malaysia Economic Monitor in a report titled “Brain Drain” noted that the country has to work on improving its higher education and attract talent and skilled labour while managing the emigration of highly skilled people.

“Brain drain—the migration of talent across borders—touche the core of Malaysia’s aspiration to become a high-income nation. Human capital is the bedrock of the high-income economy. Sustained and skill-intensive growth will require talent going forward. For Malaysia to stand success in its journey to high income, it will need to develop, attract and retain talent,” said the highly publicised report.

According to the Ministry of Higher Education (MoHE), there was a total of 239,303 local graduates (from both public and private institutions) from the A-level equivalent of Sijil Tinggi Pelajaran Malaysia (STPM) and above in 2010 alone. Supply is not a problem, as even the World Bank report acknowledges. “Brain drain does not appear to have eroded the number of graduates available domestically to the Malaysian economy as universities have managed to replenish the outflows,” it says.

The report goes on to say that what is of concern is the quality of the human capital stock and of the skills base. Companies are concerned about the skills disparity between fresh graduates and the marketplace’s requirements. As Intel’s human resource director Suresh Chandra puts it, “education attainment is lagging the need for skills”.

“The consequence of a skills gap is not the problem of organisations only but it affects the whole nation if we cannot find or equip workers with the right skills for critical jobs,” he says.

The problem here, as expressed by employers such as Intel, is that many graduates are not industry-ready. While graduates are not expected to jump straight into work and be effective or productive, a common complaint is that many of them do not even have the basic skills needed. There is a huge gap that needs to be bridged, they say.

“Universities and colleges should work on intensifying industry-relevant experience and technical competence. Much of our academic system is based on a textbook approach and teaching of fundamentals through memorisation,” says Suresh.

Datuk Dr Noorul Ainene Mohamed Ishack, chairman and managing director of the Qualitas Medical Group, cites an example specific to the healthcare industry. He says many healthcare professionals he hires for the group, including doctors, lack the basic skills needed and need to be trained to meet real-life demands.

“Institutions when counselling students need to focus on skills and career paths instead of just salary: They need to identify where the demand is, and guide students according to skill sets and the career they desire instead of churning out graduates that may be unemployable,” says Aimeen.

Upskilling the workforce

To bridge the skills gap, the Human Capital Development Strategic Reform Initiative (SR1) which comes under the Ministry of Human Resource (MoHR) is rolling out the implementation of strategic programmes under six key policy areas. One of these is the upskilling and upgrading of the workforce post-STPM (Sijil Pelajaran Malaysia or Form 5), technical and vocational schools, tertiary and continuing life-long education.

The government is also looking at mainstreaming technical and vocational training (TVET) to be an attractive pathway into the labour market, particularly ensuring job-specific training meets industry requirements and equip practitioners with the practical knowledge, skills and expertise needed.

“Currently, only 25% of SPm leavers undertake such training, whereas there is a great need for quality TVET workers going forward,” said Tan Sri Nor Mohd Yakcop at the National Talent Summit in Kuala Lumpur last September. Nor Mohd is Minister in the Prime Minister’s Department overseeing the Economic Planning Unit.

The SR1 has identified “quick wins” to address immediate key skills gaps in several sectors. These sectors are Oil, Gas and Energy (OG&E), Electrical and Electronics (EE), Communications Content and Infrastructure (CCI), and Business Services as well as Outsourcing and Data Centres. Several programmes were rolled out in each of the sectors last year and the rest are expected to be implemented this year.

Private sector’s role

The government recognises that for effective transformation to take place, it needs to engage and cooperate with the private sector in human capital. Basic management trainee programmes set up within companies are one way the private sector is helping bridge the skills gap. Companies such as Intel are able to provide relevant industry experience and help tertiary institutions keep curricula updated and pertinent.

In 2009, Intel entered into an agreement with MDEC to provide industry relevant training to faculty members of Malaysian universities so that they are able to upgrade the existing curriculum for graduates.

MDEC or the Multimedia Development Corporation directs and oversees Malaysia’s National Information & Communication Technology Initiative.

Intel Teach is a worldwide programme that started in 2000 to train teachers and equip them so they are able to engage students using technology and online tools and resources.

Intel is among those that believe in building talent from the school level up. The Intel Higher Education programme began in 1997 to bring technology into universities and encourage students to pursue technical degrees. The programme includes research grants, technopreneurship forums and competitions and mentoring programmes.

To date, Intel has provided up to RM15 million worth of grants under this programme. Others such as its Learn programme and Easy Steps programme encourage the community to develop and improve their skills through digital literacy. The Easy Steps programme is run through 170 community broadband centres nationwide.

“These initiatives have definitely helped and it’s great to see partnership and collaboration between government and industry but the bar for skills...
and talent is always moving upwards and there is a constant need to keep a check on emerging skills, trends, and new technologies,” says Suresh

Collaboration between the private sector and government will help to continually push this upskilling initiative forward. While these initiatives provide a positive headstart, Malaysia, as the EPU said in the 10th Malaysia Plan 2011-2015, has a long way to go in building a First World talent base.

Yet despite the challenges that lie ahead where talent is concerned, the initiatives under the Human Capital Development SRI show that the country is on the right track.

As the World Bank “Brain Drain” report notes: “The productivity and inclusiveness agendas are well understood and policy frameworks have been well articulated in Malaysia’s transformation programmes. Forceful implementation of these programmes should assist in strengthening both the demand and supply side of the market for talent, so that productivity and wage levels can rise in tandem.”

The consequence of a skills gap is not the problem of organisations only but it affects the whole nation if we cannot find or equip workers with the right skills for critical jobs. — Intel Malaysia HR director Suresh Chandra
Some initiatives to address key skills gaps

**OGE Train-the-Trainer**
This programme is also part of the National Renewable Energy Policy and Action Plan. This programme, which is guided by the Sustainable Energy Development Authority (SEDA), has been from 2010, under the programme. SEDA's CEO Badriyah Abdul Malek explains that although Malaysia has been running these solar installation training courses since 2008, the implementation of the feed-in-tariff policy showed up the lack of skilled workers in the industry.

SEDA is currently working closely with RENAC (German Renewables Academy) and also collaborating with Universiti Teknologi Mara to conduct photovoltaic (PV) training.

Badriyah adds that SEDA will also be collaborating with the Selangor Human Resource Development Centre. Although the focus is currently on PV training, it will be looking at enhancing human capacity in other renewable resources. The authority will also look at developing courses jointly with the Ministry of Higher Education and incorporating technical subjects on renewable energy in the curricula of tertiary institutions.

**PSDC FasTrack**
In the EE sector, the Ministry of Human Resources recently implemented PSDC FasTrack, a bridging programme for high-achieving engineering graduates with a minimum CGPA of 3.0.

The PSDC or Penang Skills Development Centre was the first skills industry–led training centre to be set up in Malaysia in 1989. Its tripartite model brings together the best of industry, academia, and government and is an example of how collaboration and the pooling of resources can successfully help to upskill Malaysia’s workforce.

PSDC FasTrack targets to upskill graduates for high-technology engineering jobs through a 12-month training and apprenticeship. Currently, five companies are participating in the programme – Agilent Technologies, Altera Corp, Intel Technology, Motorola Solutions and Silterra. Together, they have taken on 104 apprentices and recruited 101.

**MyProCert Programme**
Introduced last October, MyProCert Programme seeks to produce more than 7,000 new certified professionals to meet local and global industry demand in CCI and Business Services by 2015.

Thum Chee Kien was recently certified under the programme. The former Oracle ERP solution implementor saw the programme as an opportunity to enhance his skill sets and widen the scope of opportunities. Thum, who is in his forties, says the programme was beneficial and filled the skills gap he felt he needed to advance in the CCI sector.

Certification by itself, however, is not enough. Thum, who has been applying for jobs in the CCI sector, says the main drawback is his lack of experience.

“In order for the programme to be a success for the industry and also Pemandu, it is important that the certified candidates be given an opportunity for relevant employment with the support of the industry.”

Thum’s view is that this may be due to the lack of industry awareness of the programme. For it to be more effective, there should be a practical aspect where key employers could come on board and make use of those who have been certified, he says.

**MyUniAlliance Programme**
While efforts have been made by the Ministry of Human Resource (MoHR), it is clear that the narrowing of skills disparity needs to be a multi-ministerial initiative, mainly between MoHR and the Ministry of Higher Education. MyUniAlliance was set up as a collaborative programme between employers and institutions of higher learning to develop industry-relevant modules.

The programme aims to upskill at least 12,000 undergraduates by 2015. Currently, there are six higher learning institutions participating in the programme.

**Other areas**
While the Human Capital Development initiative aims to maximise talent, it is also tackling other areas.

“We are modernising our labour laws, upskilling our workforce and increasing women’s participation. We aim to resolve challenges in the labour legislation by providing effective workers’ protection whilst easing cost of doing business for employers. In line with this and our aspiration to be a developed nation, a minimum wage will be announced,” says Datuk Seri Dr S Subramaniam, Minister of Human Resources.
While supply is not a problem, what is of concern is the quality of human capital and of the skills base.