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Train today to compete tomorrow

HUMAN resource development is by far the single most important factor in boosting the country's economic growth in the next millennium. As the objective to become a developed nation involves the synchronisation of technology and resources with a professional workforce, the Government has strived to ensure that Malaysians are well-equipped with the knowledge and skills required to make a success of Vision 2020. Recent events have also driven home the importance of having a highly skilled and versatile workforce.

The Government has emphasised that reorganising the workforce to meet the demands of the future's high-technology industries must be the nation's top priority. While political stability remains Malaysia's strongest factor in attracting foreign direct investment, the country needs much more as it moves into value-added industries. The private sector, which is very much involved in every aspect of the country's industrialisation process, is an important key to producing Malaysian-made products which are internationally compatible and of a high quality. However, quality goods require a skilled workforce and skill only comes with adequate training. The World Trade Organisation, in its December 1997 report, warned that Malaysia's scarcity of skilled labour threatens to erode its industrial competitiveness. Noting the urgency of the matter, the Cabinet decided to use the Industrial Production Index (IPI) as a basis to get companies to resume contributions to the Human Resource Development Fund (HRDF), effective this month.

Human Resources Minister Datuk Lim Ah Lek said that the eight industries which had posted improvements in their IPI ought to be able to contribute RM2.5 million a month. With an estimated 373,000 workers, these industries - 6 of which are in the manufacturing sector - are also the ones contributing heavily to the country's export growth. It is therefore imperative that these 8 industries continue with their training programmes despite the economic downturn. In fact, this is the best time to provide employees with the opportunity to acquire skills that will be useful when the economy recovers.

The decision to ask the eight industries to contribute to the HRDF reflects the Government's keen interest in worker welfare as it will also involve Government expenditure. As an incentive, the Government will provide a grant, matching every ringgit contributed by an employer with RM2 of its own. Malaysian employers however, lag far behind their foreign counterparts where contributions to such funds are concerned. Last year, Malaysian companies only spent RM620 million on staff training, compared with RM1.1 billion in Singapore, RM12.8 billion in Japan, RM7.4 billion in China and RM22.9 billion in the US.

Malaysia, as Prime Minister Datuk Seri Dr Mahathir Mohamad said, has the capacity to upgrade the skills of its more than eight million workers. What is called for is a determined effort and properly-managed companies. Employers and workers' unions must work in concert with the Government in making this objective a reality. As far as the industries with a negative IPI are concerned, the Government need not exempt them from contributing to the fund. Since contributions to the HRDF will only take up 1 per cent of an employer's wage bill, it will not be a burden but a benefit to workers. Individual companies that feel unable to contribute could appeal for an exemption.

Malaysia needs a great many skilled and semi-skilled workers given the rapidly changing industrial environment. Therefore, recent revelations that the retraining of workers - in technology and new production skills - by employers under the HRDF is woefully inadequate, is discouraging. It is important for everyone to realise that the economic downturn will not last forever. When the economy recovers, Malaysia will face intense competition from countries which had advanced rapidly while Malaysia fought its economic malaise. It would then be a little too late to begin training our workforce and trying to catch up with the others. Malaysia needs to begin training today.

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