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Coming to grips with manpower challenges

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WHEN the Government recently revealed that there were more than 39,000 unemployed university graduates waiting for jobs, it actually brought to light the existence of a rather delicate problem hitherto gone largely unnoticed by both the public and private sectors.

The reasons for this are not difficult to decipher - the Malaysian economy has enjoyed double-digit growth for years on end, and even the recession years of the mid-1980s and crisis period of the late 1990s did not inflict as much harm on us as they had on our Asean neighbours.

In fact, the years of prosperity have resulted in the emergence of a "soft" younger generation taking the good life for granted, and acquiring a false sense of security that the party and merry-making were never going to end.

Could this perhaps have led to a corresponding level of complacency on the part of policy-makers?

That seems rather unlikely, given the fact that the several successive five-year plans that we have had have placed increasing amounts of emphasis, both in real and budgetary terms, on education, training and development.

Then why the sudden unprecedented rise in educated unemployed?

The root of the problem could well be traced to the years of colonial-type, straight-jacket, top-down educational policy initiatives which produces each year hundreds and thousands of examination-savvy school-leavers and university graduates possessing little capability to successfully handle the vicissitudes of economic transformation.

The hands-on electronic era of the 1980s and the mouse-led computer revolution of the 1990s have put paid to whatever notions that remained of traditional "chalk and talk" education - that rote-learning, examination-oriented educational systems are socially relevant.

Given this scenario, it is hardly surprising that Malaysian policy-makers are jumping aboard the bandwagon of educational reform to take quick competitive advantage of the globalisation process through a "paradigm shift", the mantra of management gurus, both home-brewed and foreign.

The Government is in fact effecting structural and systemic reviews of the existing infrastructure, curriculum content and delivery mechanisms to see what best can be done to upgrade standards and quality without imposing too much of a burden on taxpayers.

The advent of the k-economy in the new millennium brings along with it a number of core concerns in the realm of human resources development.

These mostly relate to attaining a realistic balance between quality and quantity, operational requirements and planning needs, and opportunities with capacity.

Singapore-based Credit Suisse Boston chief economist P.K. Basu calls the Malaysian economy a "Goldilocks Economy" as the country has achieved a significant 11.7 per cent gross domestic product (GDP) growth for the first quarter of this year.

Basu expects the country to chalk up 8.4 per cent GDP growth for this year, with inflation kept well under control at below 3 per cent - the best balance that money can buy.

Malaysia can proudly lay claim as being the second country in Asia to have attained visible recovery from the devastating regional economic

crisis of 1997-98.

The development bode well for broad-based, intensive policy approaches towards training and development.

As the country's economic activities go through the transformational process from low-technology, low-capital, labour-intensive, extractive industries to high-technology, capital-intensive, skilled-labour, interactive industries, the existence, and perhaps enlargement, of human resource gaps between skills available and skills needed is but a natural outcome of the much-touted globalisation process.

Malaysia, like its Asean neighbours, is at the crossroads of such development, and it is little wonder that the country is compelled by the forces of change to review its training and development policies in order to stay competitive in what Prime Minister Datuk Seri Dr Mahathir Mohamad has described as a "hostile environment".

The imminent privatization of agencies previously held by the State and the special recognition accorded to the private sector as "the engine of national growth" in our five-year plans underscore the importance of the private sector to play a proactive role in shaping national training and development policies.

The Human Resources Development Fund (HRDF), set up under the aegis of the Human Resources Ministry and which reportedly has more than RM150 million in available training funds contributed by private sector companies, serves as a special purpose vehicle for human resources development activities in the country.

An imminent proponent to the case of industry-relevant training is perhaps none other than industry itself.

The transformation of industry from value-taking to value-giving that coincides with corresponding advancement of process technology is not a coincidence: it is the net result of a series of planned State-led initiatives that have received the attestation of the society at large.

The vagaries of economic cycles do not seem to have dampened the collective resolve of the State to pursue this cause, as the commissioning of high-technology industries, spearheaded by the Multimedia Super Corridor (MSC), makes it almost obligatory on the part of the State to prepare the required base for launching technology-intensive industries by ensuring the ready availability of appropriately and adequately trained human resources on short-call.

All these give us the impression that the private sector is a mere consumer of human resources, not a generator or a facilitator. How true is this point of view?

Real-life experiences show that private enterprises, with the exception of a few large and well-established companies, does not usually place human resources development high on their strategic agenda.

This state of affairs could be explained from various standpoints - strategic, financial, market orientation and operational.

Companies usually resort to outsourcing as a cheaper, quicker and more practical alternative to in-service or vestibule training.

The ready availability of qualified, experienced and cheap foreign manpower actually stymies national efforts to upgrade and uplift local human resources standards.

Promises elicited from foreign skilled workers to train eligible and capable locals have yet to materialise satisfactorily.

Market segmentation and product diversification make it difficult for industry-based training to achieve its intended objectives within the required time-frame, and businesses whose investments are tied up with "market-savvy" products and services with very short product lifespans are reluctant to initiate any effort to train their workers, lest it becomes

unviable or outdated.

They would rather opt for cheaper and more "disposable" alternatives such as outsourcing.

The State, caught in a bind between retaining foreign investors and satisfying local expectations, chooses the path of least resistance by staying away from the problem.

This "default mode" policy approach, instead of reducing the intensity of the problem, actually further compounds it.

Malaysia's options in the context of these circumstances are rather limited. There has to be political will on the part of the State to ensure that private enterprise keeps its promises of training and development, and that employees' wages and benefits are set in tandem with higher skills acquisition and industry-related work experience.

The State also has to prepare and equip the target beneficiaries of such training activities, be they school-leavers, serving employees or even university graduates, with the required level of mental preparedness through a carefully drawn-up activity series of aptitude-enhancing programmes.

It is a medley of tasks that has to be addressed simultaneously with varying degrees of resource allocations, but nevertheless has to be successfully performed in order to effectively meet medium-term and long-term national socio-economic objectives.

* The views expressed in this column are the writer's own and Business Times does not necessarily share them.

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