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ETP contributes to skilled workforce

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But experts see need to improve work culture of Malaysian workers

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PETALING JAYA: Numbers do not lie, and going by the Performance Management and Delivery Unit's (Pemandu) figures on the country's sound economic progress thus far, the high-income-nation status that we are seeking to achieve by 2020 is well within reach.

Gearing up to achieve high-income status would mean that the nation's growth engine – the workforce – has to be in shape, functioning at its optimum. Experts, however, concur that there is room for improvement.

In the 2011/2012 Productivity Report, Malaysia's 4.6% productivity growth at a level of RM54,023 reflected the 5.1% growth in gross domestic product (GDP) and 0.6% employment growth in 2011.

The growth was ahead of South Korea at 2.1%, Finland at 1.9%, the United States at 1.2%, the United Kingdom at 0.5% and Japan at -0.2%.

The report, however, noted, that Malaysia's productivity level was not yet on par with workers in South Korea, Singapore, Australia and Hong Kong.

In February, the Malaysia Productivity Corp (MPC) voiced its reservations about the local work culture, citing a poor performance culture and low productivity levels as signs that the workforce might not be ready to partake in contributing to the high-income-nation status.

That said, MPC director-general Datuk Mohd Razali Hussain believes the Entry Point Projects (EPP) under the Economic Transformation Programme (ETP) supported by strategic reform initiatives on human capital provide commendable sectors, among them the electrical and electronics, and ICT sectors.

"The sectors under the ETP recorded improvements in their labour productivity performance as well as in labour competitiveness, as a result of higher growth in the value created or output generated by each employee relative to the growth in wage rates," he said.

For last year, Razali said the improvement in GDP over employment raised Malaysia's labour productivity, and was partly due to capacity expansion in new growth areas, in particular, the initiatives under the ETP such as medical and communications equipment.

"Capital deepening, or increase in capital per worker of specific sectors, also plays an important role in driving Malaysia's productivity growth," he said, adding that MPC would be presenting latest productivity data in June.

All this points towards a robust economy, a trickling effect from what the Government has done under the ETP.

RAM Ratings chief economist Dr Yeah Kim Leng agrees that programmes under the ETP such as the National Talent Enhancement Programme, MyProCert and Talent Corp (M) Bhd's (TalentCorp) Returning Experts Programme (REP) have contributed to creating a high-performance workforce.

"These initiatives do provide the needed productivity boost at the margin, allowing the

industry or firm involved to gain a competitive edge or benefit in various ways from the returning talents," he told *StarBiz*.

"What is needed more is a snowballing effect in terms of creating the right incentive-compatible environment and work culture that places a high premium on value creation and innovation."

He believes the country also needs to further develop its innovations.

"While Malaysia can comfortably sustain 4% to 6% growth annually over the next two to three years by utilising its growing labour force and raising its still-low private investment level, to escape the middle-income trap over the coming decade, it has to focus on 'productivity gains' from innovation rather than imitation, and move to high-value products and services."

Yeah acknowledged that boosting productivity was easier said than done, as it involved many socio-economic dimensions. He noted it was especially important to inculcate a "hi-po" culture across all strata of the economy, creating high-performing institutions, firms and industries, as well as high-potential corporate leaders and employees.

TalentCorp, a key unit in raising the quality and performance of the local workforce, has seen positive results in its efforts.

Chief executive officer Johan Mahmood Merican said the steady rise in application and approval rates recorded thus far under the REP were encouraging as it showed that employers had increasingly used it as a recruitment tool to attract top Malaysian talent.

"This indicates a growing confidence among top Malaysian talent abroad in the accessibility of internationally competitive, high-income career opportunities now available in Malaysia through the ETP," he said.

The REP, introduced in January 2001 and administered by TalentCorp since January 2011, has facilitated the return of experienced Malaysian talent, particularly those with expertise in National Key Economic Areas of the ETP.

"Opportunities generated by the gaining momentum of the ETP have spurred more top Malaysian professionals to return, reflected by the over 1,600 approved under the REP as of Feb 25. This is compared to the 1,130 applications approved over the ten years prior."

Some top-notch returnees who have assumed leadership positions in leading Malaysian organisations and multinational corporations include Malakoff Bhd CEO Zainal Abidin Jalil, British India CEO Rhoda Yap, Shell Malaysia chairman Iain Lo and Technip Asia Pacific senior vice-president K.K. Lim.

For 2013, TalentCorp has its eyes set on the youth of Malaysia.

"A key focus of our work for 2013 is on developing our young domestic talent, who are clearly our most important source of talent," Johan said.

"To ensure they are fully optimised, TalentCorp works with Malaysian employers



Although Malaysia's growth is ahead of most countries, its productivity level is not yet on par with that of advanced nations.

and universities to promote career awareness as well as provide structured internships and upskilling programmes to enable our graduates to better meet the evolving needs of the industry and increase the country's productivity."

Malaysia's growth potential has been internationally recognised, as noted in publications such as the Institute for Management Development's World Competitiveness

Yearbook 2012/2013 which listed the country as the 14th most competitive country globally.

AT Kearney's Foreign Direct Investor Confidence Index 2012 also placed Malaysia as the 10th best foreign direct investment destination, up from 21st the year before; while the World Bank's Ease of Doing Business Report 2013 ranked Malaysia 12th from 18th in 2012.

