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Title : NATIONAL HUMAN RESOURCE EXCELLENCE AWARDS

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Minister of Human Resources

Bob Olivier
Chairman, ASPAC Executive Search Sdn Bhd

Distinguished Guests

Ladies and Gentlemen

1. I would like to begin by thanking the Malaysian Institute of Human Resource Management and ASPAC for kindly inviting me to present the National HR Excellence Awards for this year. I understand that this is the 5th year running that these awards have been given to recognize companies and individuals that have demonstrated exemplary commitment to developing people as a strategic priority in their organizations. My congratulations to all those being recognized by the judges this evening.

2. Dinner speeches are often a "lose-lose" proposition as you are confronted by dilemmas from all sides. If asked to speak early, you stand between the audience and a good meal. If asked to speak after, you invariably stand between a full stomach and a good night's sleep. I will therefore be as brief as is appropriate. The rule of public speaking, after all, is to stop talking before your audience has stopped listening.

Ladies and Gentlemen

3. The Government's primary focus and most important task today is to develop and secure human resources of outstanding knowledge, skills, creativity, innovation, energy and discipline. This unrelenting focus and pre-occupation with talent becomes obvious and fully justified when we observe the evolution and progress of societies at different stages of development.

4. In the age of hunting and gathering, the richest and most developed were those who were best at hunting and gathering and those who, by chance, lived where there was much to hunt and gather. The future belonged to the best hunters and gatherers who could harvest the natural bounty of the land.

5. In the age of agriculture, the richest and most developed were those who had vast expanses of land and who could organize large numbers to till, sow and reap the fruits of an activity called "farming".

6. In the age of industry, the richest and most developed were those who could build the factories that could produce the goods that the world hungered for. This required the massive capital investments, assembling the raw materials, putting in place the machines, building the disciplined, mass, urban industrial workforce and ensuring the

necessary hard infrastructure and logistics.

7. Today, the richest and most developed do not live in industrial countries but in post-industrial societies, where low value-added manufacturing is being hollowed out, where low value-added agriculture has disappeared and where low value-added services have been outsourced. Post industrial economies may still have massive industries, but there are likely to be in aerospace and semiconductors. They may have substantial agriculture but are likely to be processed, high yield, genetically modified food products. Above all, post-industrial economies are strongest in services – and in high value services.

8. High value-added industry, agriculture and services do not need low-knowledge, low-skilled and compliant manpower in massive quantities, the mainstay of the industrial economy. They need very knowledgeable, very creative, very innovative, very smart workers aided by massive infusions of technology and capital.

9. As a concrete example of this reality, the economic output of the United States today, as measured in tones, is approximately the same as it was a hundred years ago. Its real economic value however, is twenty times higher. Why the difference in output despite little difference in input? The answer lies in the infusion of intangible attributes, the most important of which is knowledge.

10. A national programme for human resource development can be super-efficient, producing ever increasing output at ever lower cost. More graduates for every ringgit spent. Yet this would be an absolute disaster if what is being produced is not what is needed – in Malaysia's case, sustained economic growth. If we produced theologians and philosophers by the millions each year, the likes of Plato and Aristotle would be pleased, but the rest of us would be in desperate trouble.

11. We have to concentrate on producing something much less elevated but perhaps equally difficult to achieve: a world-class workforce that is employable, empowered and disciplined, able to adjust to changing work needs, with a commitment to continuous self-improvement and lifelong learning.

12. Such a workforce must have the necessary thinking, reading, writing, numerical and communication competencies. They should have at a minimum, some ability to be creative and to innovate. They should be entrepreneurial. They must be ICT literate. They should be attracted to science and technology and suspicious of superstition. They should be skillful in a multicultural work environment. They must carry in their heads the belief that they can not only stand but succeed on their own two feet; that no-one owes anyone a living, and that achieving anything meaningful requires very hard work. They should be patriots and they should be ethical and God fearing. And at this stage in world history, they must have enough competence in the English language to have access to the bulk of human knowledge as it is documented in the present day. Above all perhaps, our people must have faith in their own abilities.

13. As every human resource development person knows, all this is a very tall order. As a small, developing country, we are bound to fail in some aspects as much as we succeed in other areas. But at the very least, we must try to produce as many Malaysians as possible with as many of these attributes as possible. We must work hard for quantity. At the very same time, we know that in all societies in all human eras of recorded history, it is a relatively small percentage of people who make a

contribution far greater than their numbers. This is why even as we work intensely to produce the very largest number possible of the world class workforce of excellence that we must have, we must make sure that we do our utmost to also nurture and encourage this very small percentage of superlative performers.

Ladies and Gentlemen

14. In addressing the invariable deficit in the domestic workforce, most countries grapple with the issue of recruiting foreign versus local talent. To be pragmatic, I believe our primary thrust should be directed towards developing one's own people. To do this well, we must develop the total national learning system that starts with kindergarten and only ends in the grave, involving schools, polytechnics, universities, the work place, the play of play and every learning space in between.

15. While Malaysian-based employers should make every effort to keep their best employees within the country, it is inevitable, perhaps even desirable, that some of our people will move and work in other geographies. Even the most developed countries cannot prevent this. But where there is a brain drain – and fortunately Malaysia has been able to keep this within bounds – we must ensure that there is also a reverse brain drain (or brain gain). Where our talents work in other countries but later return with new experiences and skills, and value add to our national output. We should also aim to attract foreign nationals to contribute in areas where we lack the knowledge or skills.

16. However good a total national learning system can be built within a country, the process of human capital development simply takes time. Sometimes, in the short term, there is little alternative to bringing substantial numbers of foreigners to one's country to productively contribute. Without exception, it is impossible for any country to develop every skill, every talent, every specialist in every area of importance that it requires. It is therefore pragmatic that we avoid the sometimes narrow minded nationalistic minded impulse to shut our doors to foreign workers. Over the next decade, Malaysia will need to simultaneously reduce its dependency on unskilled foreign workers, while encouraging more skilled foreign professionals to help alleviate shortages in a number of critical areas.

Ladies and Gentlemen

17. I have highlighted that in order to successfully transition to a knowledge-intensive post-industrial economy, we need to get two things right: firstly, our national learning ecosystem to produce the quantity and quality of the knowledge workforce our companies require, and secondly, be truly open to a brain gain approach to talent, where we are welcoming to returning Malaysians as well as foreigners who have the skills and desire to work and live in this country.

18. Let me conclude by touching on the issue of branding and its relevance to human capital development. Branding is not merely promotion or advertising but the effective projection and implementation of a consistent set of values and characteristics. We must therefore ask ourselves whether as a country, we are doing enough to provide the most exciting opportunities for our most valuable workforce as they come out of our universities. Whether our companies are responsive and creative enough in their people strategies to make sure their most productive and valuable employees stay with them and not leave for competitors, whether at home or abroad. And whether in areas where we desperately need foreign skills and talent,

we are making every effort to make Malaysia the most attractive destination in terms of quality of life, social environment and cost of living, for the people we truly want, as opposed to people who have simply not been successful elsewhere.

19. I believe many of us here appreciate the enormous challenge of building the national reservoir of human capital. The companies being recognized this evening, are in fact role models of how this can be done within individual organizations. I would urge all of us who lead and manage people to take stock of how well we, as individuals and as organizations, have been doing in identifying, motivating, rewarding and retaining this reservoir of talent.

20. In pursuing these efforts, in taking the necessary steps to brand Malaysia as a talent magnet, we must be fast on our feet, be able to experiment and innovate. We must be able to decisively discard what does not work, and forcefully enhance what does. Because the reality remains that our fiercest competitors are doing precisely this in order to ensure that they retain their share of the kind of workforce needed to succeed in the knowledge economy. Only the paranoid survive and we must not be left behind.

Thank you.