

**SPEECH BY THE HON TUN DR MAHATHIR BIN MOHAMAD AT THE STAFA
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“Human Resources Development”

Thank you for inviting me to speak at this important forum. I am not an expert on everything. So what I have to say about human resources development may sound naïve to the experts. But my knowledge of the subject comes from my experience in developing Malaysia's human resources to meet the needs of its rapid industrialisation.

2. We often talk about Human Resource Development as if all that needs to be done is to have skills training. The abilities of people to do things are probably the same. But the differences in their abilities to deliver the right kind of work with the same quality of products almost always differ. The difference is due to the influence of culture, the value systems which affect the focus of the workers at any level, from top executives to the manual labourer.

3. It is obvious that not only will humans gain skills through experience throughout life, but the skills seem to pass on to their children and children's children. In other words skills can apparently be inherited. Today's young people are noticeably more skilful and knowledgeable than yesterdays. And certainly we are all more skilful than our forefathers decades or centuries ago. The people of skill-backward communities are of course going to produce children who are backward in relation to the other communities even though they may still be more skilful than their forebears.

4. What this means is that the potential for acquiring skills are with everyone in every community. But if they are born in a backward community they are not going to inherit and develop the full potential that they have.

5. Migratory workers living in skill-advanced countries quickly acquire the skills of that community. If they had not migrated the levels of their skills would remain that of their skill-backward community and country. Again this proves that we have inherent skills but we need the right environment to bring out these skills.

6. What happens when a worker migrate is of course the exposure to a different work environment with higher skills and the adoption of the cultural values of the people of the new community in which he works.

7. In a rural community there is not that kind of work ethics which are compatible with the operation of a highly industrialised urban community. In a rural peasant community there is no pressure to work at certain times and in a certain way. The rural worker works when he feels the desire to work and stops when he likes. The time taken by him is flexible as are the quality of the products and the time of completion. There is in other words no work-place discipline. But in an industrialised environment the time to work is fixed, the quality must be of the required level and the delivery must be on time. Clearly the village worker must adopt new values when he moves into an industrial urban environment. And usually he can and he will. But his adaptation and acquisition of the skills and the work ethics would be better and faster if he is helped to do so. This is where training or human resources development comes in.

8. Apart from the need to adjust and adapt to a new orderly and disciplined working environment, there is also a need to adjust to life in urban surroundings, away from family and fellow villagers. The freedom of urban environment where everyone seems to mind his own business may lead to a feeling of loneliness or of unaccustomed freedom. For female workers, the danger of some stranger befriending and taking advantage of the innocence of a rural girl is very real. Trusting strangers may end up in rape and even murder. On the other hand the freedom from parental supervision may lead to moral collapse.

9. The majority of factory workers in Malaysia are girls from the villages anxious to earn an income for themselves and to send back home some of the money earned. If they are to survive in this strange urban and industrial surrounding they need to be more sophisticated and worldly. It may take time to learn and until then they can fall prey to anyone with evil intentions.

10. For the boys the danger is not so great. But the towns provide many distractions. They may fall into bad company and get involved in drugs and even petty crimes.

11. Serious social problems can therefore result if the proper human resource development is not undertaken.

12. A nation like Malaysia wishing to switch from an agricultural economy to an industrial economy faces many social challenges as the demography of the country is forced to change to accommodate the needs of an industrialised environment.

13. The first task of human resource development is therefore to gain the confidence of the rural families which are reluctant to let their children, especially the girls out of their care. Stories of girls disappearing and being found murdered, though very rare, deter parents from letting their children work in factories. Where possible, factories have to be located near enough for the workers to be ferried to and from their work place daily. But this is not always possible. More often the workers have to leave home and be away for a considerable length of time. Worry about their parents and families can affect the work of the workers.

14. Adjustments to factory life and living away from home will need some help. Frequently the older and more experienced workers can advise and befriend the new workers. But some elderly women acting as chaperon and counsellor would be useful.

15. Joining with other workers of the same sex to rent lodgings would also help. Going to and from work together would avoid the danger of being waylaid or enticed by strangers. Accepting lifts from strangers pose special dangers. Even known persons may try to take advantage of trusting young girls.

16. The switch from agricultural to industrial economy also requires a change in the mindset of the people as a whole. A new culture has to be shaped and introduced. This is especially important in a Muslim country where the norms are usually orthodox and conservative. Changes are not often welcome and may well be rejected and resented. But economic progress cannot be achieved by continuing with the old unproductive small scale peasant agriculture. Only large industries can create the jobs needed for an

expanding workforce. And the kind of industries which can do this cannot be located in the rural areas.

17. Even the urban population needs to change. There will be a big migration from the rural areas to the towns of people not accustomed to urban living. There will be slums, poor housing, poor sanitation and also some increase in the crime rates. The local authorities and the Government have to deal with this but the urban society itself will have to make adjustments. Above all they must be made to understand what is happening and how it will help the economy to grow and to benefit the nation as a whole; which of course include the urban people as well.

18. Even as the social aspects of Human Resources Development are being attended to, the training of the work force must begin. Primary and secondary education has already given the new workers the capacity to understand simple instruction. In today's world, the ability to understand English is an asset. Investors from foreign countries would not be able to speak the local language. Even the instructor from non-English speaking countries use basic English to communicate and to instruct. It would help the training of the new workers if they understand simple English. One of the reasons Malaysia has been successful in attracting foreign direct investments is the fact that Malaysians understand English even though most cannot speak English properly.

19. Basic skills can be acquired on the job. This is often sufficient for the kind of labour intensive industries involved in the production of garments, or simple assembly line work.

20. But sooner or later as more complicated jobs are introduced, specialised training will have to be provided by the employer. If in-house this is inadequate because of rapid demands for skilled workers, skills training centres can be set up by the industries on their own or in cooperation with the Government.

21. Skills training centres can help upgrade the workers already engaged or in preparation to take on new jobs. Such centres have to be equipped with the tools and machinery used in the factories. This kind of training will produce workers with the right kind of skills for the jobs they will have to do.

22. Actually workers anywhere can acquire any kind of skill if they are made to repeat the job over and over again. It is really a drill. Initially it will require strong concentration on the part of the trainees and patience on the part of the instructors. If the specific job is done over and over again for a sufficiently long time then the skills will develop to the point where each movement of the hands and feet will be almost automatic. Even the workers from the farms or the children of fishermen can do a perfect job and produce faultless products. There really is nothing difficult or mysterious about the production of sophisticated components, appliances and electronic products and even quality automobiles like the Mercedes. Anyone can produce these seemingly complicated goods if he knows the specific work he has to undertake and the sequence of work that he must follow. And this knowledge and skills he can acquire while working or at the skills training centre.

23. If the right culture is cultivated then quality will come almost by itself. But initially direct and close supervision will be needed. Over time the work culture that they acquire will become a part of the national culture. Industrialisation will then gain in speed.

24. The simplest jobs add very little value to the products. The wages for such jobs cannot be high. But as more and more complex jobs are needed the added value increases and the worker becomes entitled to higher wages. This is an incentive for workers to learn new skills or improve their current skills.

25. For the really determined workers there is almost no limit to the increase in their skills. The ultimate would be in the design of new products. Malaysian workers have reached this level where their design skills are used by big multi-national corporations to introduce new products for the world market.

26. At this stage or even earlier the higher education institutions would have to introduce suitable courses to produce technicians and engineers for the industries. The courses need to be upgraded all the time because the way things are manufactured is being constantly upgraded and even changed. Of course the products also change. The original dialling telephone sets produced in Malaysia have given way to the complex electronic cellular phones.

27. In the early years most of the work was by hand. The parts are assembled by hand practically from the start to the finish. Today most of the work is being done by automatic machine and robots. The worker now becomes a supervisor of machines, each minding perhaps several machines. The modern machines even detect any mistake that is made and sounds a warning.

28. Workers now have to know the functions of these machines, the likely causes of the failures or breakdowns, and what to do to put things right again. The worker is now a technician with greater responsibilities and quite different skills. Naturally the pay would be higher.

29. Now the jobs to be done by humans have been reduced further but the skills must be even higher. In many of the new industries half or more of the smaller team of workers would be qualified engineers, the others would be skilled technicians. Practically no manual work is done except when assembling the machinery. Even these would be assembled by automatic machines or robots except when the machines are being installed in a new factory. Then manual work involving engineers and technicians would be needed.

30. By this time human resources for the industries would be almost fully developed. They would be able to undertake any project in any industry. By this time too, the country would become an industrialised country able to venture into any kind of industry. The limiting factor would be the market.

31. At this stage HRD will have to focus on the training of managers. The success or otherwise of any industry depends on the skills of the managers. It is possible for almost anyone to manufacture the most sophisticated products with the highest quality. But they will not be saleable unless the prices are competitive. The managers must ensure that costs are kept as low as possible while the quality remains as high as possible.

32. New machines may have to be introduced, facilities upgraded, and perhaps new material used. Even workers may have to be retrained or retrenched. A lot of other things can be done by the manager together with the floor supervisor in order to keep costs low without affecting quality.

33. The Japanese are very good at introducing new ways of doing things in order to reduce costs. One of the innovations they introduced is the "Just in time" manufacturing. The whole process is studied so as to know what is needed when. By careful logistical control the parts are delivered just as it is needed for a particular job. This eliminates the need to store raw materials or parts over long periods before they are actually required. The savings in terms of cost of holding big supplies and their storage facilities can be much increased through the "Just in time" programme.

34. Another Japanese innovation is quality control. Each worker must ensure that the part he is responsible for is perfect before he passes it on to the next worker. Obviously if everyone does a perfect job and produces zero defect products, the end result would be equally perfect. The rejection rates would be very low. In fact the object is to achieve zero defects in every product, thus reducing the cost of rejects and reassembly.

35. Yet another Japanese improvement is to listen to suggestions by workers and to implement them.

36. Truly the best resources of a nation are its people. Countries like Japan which has no mineral resources and limited arable land have prospered because their people are disciplined, hardworking and skilful. Work is almost a pleasure as nothing gives them greater pleasure than the beauty of the things they produce.

37. From ancient times the Japanese were already able to produce exquisite products like lacquer ware, ceramics, silk kimonos, high quality steel, bamboo crafts etc. Their houses were made of bamboo, paper and wood with high quality and precision. It takes a certain culture to live in a house made of paper.

38. When they industrialised their products were at first of poor quality. But after the war they quickly improved their quality so that it is actually far superior to the products of the Europeans.

39. Their ability to do this lies in their culture and value system. A deep sense of shame makes them strive for perfection. For this they are prepared to study hard, to spend time on it, to repeat over and over everything that they do until they achieve as perfect a result as possible.

40. If we are able to instil these high values in our work force then human resource development will yield excellent results. It will take time of course but it is not impossible.

41. I hope those responsible for the development of human resources will never forget the importance of the right culture in order to achieve the best results.