

**THE HUMAN RESOURCE PERSPECTIVE
TOWARDS ACHIEVING VISION 2020**

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ROLE OF INDUSTRIAL TRAINING INSTITUTES IN THE DEVELOPMENT OF HUMAN RESOURCES IN INDUSTRY

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INTRODUCTION

One of the most important resources available to an organization, and many would say the most important, is its employees. Their competence, experience and loyalty largely determine both the objectives that an enterprise can set for itself and how successful it will be in achieving them. This fact of industrial and commercial life is not new but, since the last war, economic, technological and social changes have forced employers to pay particular attention to their manpower policies and practices. The rapid evolution of personnel management as a major business function is itself a direct result of the growing managerial concern for the more effective use and development of human resources.

Within the framework of organizational goals, the goals of training become quite specific. Training is one management tool used to develop the full effectiveness of an essential organizational resource: its people. The function of training, then, is to bring about the behaviour changes required to meet management's goals. When considered from the point of view of a system's overall mission, a training function is no longer an extra operation within the organization; it is an essential subsystem used to fulfil the larger system's specific mission.

BENEFITS OF TRAINING

Training is only one of many variables which influence business activities. It is therefore often difficult to quantify the precise benefits which unequivocally result from a particular investment in training. The problem lies in isolating the contribution made by training as opposed to that of other variables in business. In general terms, however, the following benefits can be expected:

- i) Training helps employees to learn their jobs quickly and effectively. It also helps to minimize the costs incurred by employees while learning their jobs.
- ii) Existing employees can be helped by training to improve their work performance and to keep up to date in their specialist fields.
- iii) The standard or quality of work required by the company is more likely to be achieved and maintained if employees are well trained.
- iv) A greater volume of work can be expected from trained staff, partly because they work more rapidly and partly because they make fewer mistakes.
- v) A reduction in work errors benefits a company in two other ways. Firstly, management can spend more time on planning and development activities instead of correcting mistakes. Secondly, costs of correcting errors, often involving overtime, are minimized.

- vi) Labour turnover among new staff, if caused by ineffective learning and inadequate training, can be reduced. Staff, who are given effective training to learn their jobs rapidly, are more likely to achieve a high level of job satisfaction soon after joining the company and so tend to remain longer.
- vii) Retention of staff is an advantage to a company only so long as the skills and knowledge of its employees contribute to the company's operations. By retraining staff, new abilities replace obsolescent expertise.
- viii) Training in safe working practices reduces accidents, resulting in social and financial benefits to both the employees and the company.
- ix) A company needs a flexible work force to operate efficiently when staff are absent through sickness or away on holiday. Training increases staff versatility by widening their range of expertise to include related jobs.
- x) A company with a reputation for providing good training tends to attract better applicants.
- xi) Employees are less likely to become frustrated and leave if opportunities for further training and development are available within the company.

TRAINING PROGRAMME OF THE MANPOWER DEPARTMENT

The vocational training programme of the Manpower Department, Ministry of Human Resources, has the following objectives:

- i) to provide skilled manpower to meet the needs of the industrial sector;
- ii) to upgrade the skills of industrial workers so as to enable them to contribute more effectively towards the development of the country; and
- iii) to enhance employment prospects of school leavers by providing them with systematic pre-employment training in various vocational skills.

The training programme is carried out at ten Industrial Training Institutes (ITI), which are administered by the Manpower Department. The ITIs are located at Jitra (Kedah), Prai (Penang), Ipoh (Perak), Kuala Lumpur, Malacca, Pasir Gudang (Johore), Kota Bharu (Kelantan), Kuala Terengganu (Trengganu), Kuantan (Pahang) and Labuan (East Malaysia). There is also the Centre for Instructor and Advanced Skill Training (CIAST) in Shah Alam, Selangor, which provides modular type training for instructors, supervisors and skilled workers from the public and private sectors, with emphasis on new technology.

The training programme offered by the ITIs comprises the National Apprenticeship Scheme (NAS), the Trade Skill Certification Course (TSCC) and Customised Course.

The NAS is to enable industrial workers, who are sponsored by their employers, to upgrade their skills. The duration of the training is three years that is 18 months for training at the Institute and 18 months for practical training in Industry. The trainees are required to sit for the Intermediate Level Examination set by the National Vocational Training Council (NVTC), which also awards the National Apprenticeship Certificate upon successful completion of training. The training is provided free of charge. The employer has only to pay for the cost of food if the trainee resides at the hostel.

The TSCC is designed to provide pre-employment training free of charge for school leavers who wish to acquire skills in specific trades. The duration of the training is two years, i.e. 18 months for training at the Institute and 6 months for practical training in industry. The trainees have to sit for the Intermediate Level Examination set by the NVTC for certain trades and for the Final Examination set by the Manpower Department for other trades.

Customised courses are conducted for industrial workers upon request of their employers and are tailored to meet the specific training needs of individual companies. They are usually held after normal working hours or during weekends. A nominal charge is levied on a cost recovery basis.

Presently, the ITIs offer courses for 28 trades which may be broadly categorized into mechanical, electrical, construction, printing and non-metallic trades as shown in Appendix 1. The present overall enrolment capacity at the ten ITIs is about 4,500. The total number of graduates from the ITIs for the period 1986-1990 was 7,224, while that for the period 1991-1995 is projected to be about 15,200.

MAJOR PROBLEMS IN VOCATIONAL TRAINING

A. Lack of Feedback Response

ITIs lack the mechanism of feedback response, which would enable them to detect and respond to changes in the labour market. To overcome this problem, contacts with the private sector or industries have been institutionalized through the establishment of Advisory Committees at all the ITIs this year. It is hoped that these Advisory Committees will serve as conduits for feedback information which can be used, inter alia, to update curriculum and review training programmes. However, it has been noted at times that, in the determination of training needs, some members tend to express views based on training needs which are specific to the companies they represent rather than those pertaining to the particular industry as a whole. Public training institutions such as ITIs provide broad-based vocational training that makes possible a flexible adaptation to the technical skill requirements of specific companies.

B. Inability to Recruit and Retain Quality Trainers

The inability to recruit and retain quality trainers is a significant constraint faced by public training institutions in supplying the required manpower. Ideally, teaching staff should be recruited direct from industry, given pedagogical training and paid a salary which is adequate to attract and retain them. The existing schemes of service and pay scales which are based on formal qualification do not take into consideration industrial experience or exceptional personal ability. As a consequence, it is difficult to recruit teaching staff with relevant industrial experience in the technical fields. Unattractive pay scales also lead to experienced instructors leaving to join the private sector which offers higher salaries.

In recognition of this problem, the Government, under the New Remuneration System for Government Employees, has placed technical and vocational instructors in the Category of "critical service", whereby they would be given better terms and conditions of service, including an incentive payment equivalent to 10% of basic salary. Also those with no formal qualification but possessing adequate technical know-how and work experience in the relevant fields would be considered for appointment as instructors.

C. Lack of Training Incentives to Employers

The problem of shortages of certain core skills is partly due to the lack of financial incentives for employers to provide skill training for their workers. In certain industrial activities, especially in the smaller enterprises, firms tend to underinvest in formal skill training and skill upgrading because of the high costs involved in training.

In response to this problem, the Ministry of Human Resources is proposing legislation to set up the Human Resources Development Fund (HRDF). The Fund would act as an incentive scheme under which grants or loans would be provided to employers to encourage them to undertake systematic training programmes in order to equip themselves with a work force with higher skills.

D. Ineffective Industrial Attachment

To provide industrial exposure to instructors, they are attached to industrial establishments related to their trade specialities during the semester holidays. However, there have been cases where instructors have been neglected and not assigned work as expected.

Students are also sent to industrial establishments for about six months for on-the-job training (OJT) in the relevant trade to get hands-on experience. It has been found that, for courses where there is no structured OJT, the elements of training vary from one firm to another and there is thus lack of uniformity. There have been instances where committee on the part of supervisors of students has been found to be lacking.

Efforts have been made to rectify the problem by careful selection of only those firms which have adequate personnel to supervise the trainees and to provide the relevant training based on a structured training profile so as to achieve some degree of uniformity in the training provided. The private sector must play its part in ensuring that trainers are well trained so as to enhance the quality of training.

DEVELOPMENT OF ITIs UNDER THE SIXTH MALAYSIA PLAN

Under the Sixth Malaysia Plan period (1991-1995), a new ITI is planned to be set up in the Klang Valley and training capacity at the ITIs in Pasir Gudang and Prai will be expanded to meet the increasing demand for skilled manpower resulting from the rapid industrialization taking place in those regions.

New courses that are being considered for introduction at four ITIs during the Plan period are as follows:

- Computer Technician Course and CAD/CAM Technician Course at the ITI in Kuala Lumpur.
- Tool and Die Maker Course and Industrial Electronics Technician Course at the ITIs in Prai and Pasir Gudang.
- Precision Machining Course at the ITI in Kuantan.

CONCLUSION

The ultimate objective of training is to change human behaviour. Training is seen as an activity capable of making a major contribution to the achievement of company objectives. It has been said that a business organization is distinct from its competitors in only respect: its people. An organization's plant, processes, equipment, even its new technical breakthroughs, can be duplicated by its competitors. But its human resources cannot; they can only be pirated. In to-day's business environment, human resources are the most expensive and valuable asset of an organization. The development of this resource is crucial to the success of any organization.

A skilled work force is a "sine qua non" as Malaysia aspires to be a fully developed country by the year 2020 by gearing itself to face the challenges of increasingly complex industrial environment, rapid pace of technological change and intense international competition. In line with this aspiration, the ITIs will continue to strive to play their role in contributing towards meeting the growing demand for skilled manpower.

APPENDIX 1

TRADE SKILL CERTIFICATION COURSES OFFERED BY INDUSTRIAL TRAINING INSTITUTES

A. MECHANICAL DIVISION

1. General Mechanic
2. General Machinist
3. Engineering Inspector
4. Foundry/Pattern Maker
5. Motor Vehicle Mechanic
6. Heavy Commercial Vehicle Mechanic
7. Earth Moving Equipment & Construction Machinery Mechanic
8. Welder
9. Metal Fabricator
10. Structural Metal Preparer & Erector
11. Engineering Draughtsman
12. Tool & Die Maker
13. Mould Maker

B. ELECTRICAL DIVISION

14. Electrical Wireman
15. Chargeman
16. Radio & TV Servicing Technician
17. Industrial Electronics Technician
18. Refrigeration & Air-Conditioning Mechanic
19. Industrial Instrumentation Technician
20. Telecommunications Technician

C. CONSTRUCTION DIVISION

21. Wood Working Machinist
22. Carpenter & Joiner
23. Furniture/Cabinet Maker
24. Bricklayer and Tile Setter
25. Plumber
26. Architectural Draughtsman

D. PRINTING DIVISION

27. Printing Technician

E. NON-METALLIC DIVISION

28. Plastics Technician

QUESTIONS AND ANSWERS

Question: Can you please elaborate on the HRD plans of your department? Is there any possibility in future for ITIs to be set up in Sarawak especially when we have such abundance or rich natural resources available, for example, petroleum and wood-based industries? What about the setting up of the industrial site at Sejingkat and also the Free Trade Zone in Muara Tabuan because these are areas which need a lot of institutions such as what you have mentioned to come up with skilled labour.

Answer: Regarding the HRD plan, I regret that I'm unable to give detailed information on this as the legislation related to this fund has not yet been passed by Parliament. Briefly, the fund will be from the levy imposed on employers; the proposed levy is 1% on the payroll of those employees who earns \$700/- or less per month but this is still being reviewed. As to your second question as to whether the government is considering setting up industrial institutes in Sarawak, I can only answer that we wish the government would allocate sufficient funds for us to set up institutes in every state. However, as I've explained earlier, we have one institute in Labuan which is intended to cater to the needs of skilled training in Sabah and Sarawak. Perhaps in years to come when there is a specific need for setting up a training institute in Sarawak itself, I'm sure the government will give due consideration.

Question: Is there any move by the government, (after realising that HRD is a prime area to help develop the country and bring it on par with the rest of the developed countries) to have double tax reduction for all HRD programme expenses that is borne by the employers as incentives rather than giving loans to them?

Answer: The subject of double tax deduction incentive doesn't come under my Ministry. It is determined by the Treasury and the necessary guidelines for the application of these incentives are also done by the Treasury. In response to your question, I can say that the incentives are being reviewed from time to time and as you've rightly pointed out, at the moment the incentives are given for training institutions which include Institute Kemahiran MARA and others. But I can anticipate that once HRD comes into being, the scope of training that will qualify for incentives will be much wider.