



HRDF HUMAN CAPITAL REPORT

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TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) AND HUMAN RESOURCES DEVELOPMENT FUND (HRDF)



Malaysia aspires to become a more advanced and inclusive nation. To achieve this, Malaysia will require a workforce equipped with knowledge and skills, in order to drive inclusive and sustainable economic growth. TVET is identified as a game changer in how Malaysia produces skilled talents. As such, the Human Capital Report for this issue is intended to cover the TVET landscape in Malaysia and its significance in increasing employability and wages.

WHAT IS TVET?

Based on the definition by UNESCO, TVET comprised of education, training and skills development relating to a wide range of occupational fields, production, services and livelihoods. TVET, is part of a lifelong learning process, which can take place at secondary, post-secondary and tertiary levels including work-based learning, continuous training and professional development. TVET also includes a wide range of skills development opportunities attuned to national and local contexts. Learning to learn, the development of literacy and numeracy skills, transversal skills and citizenship skills are integral components of TVET.

(Source – Revision of the 2011 Revised recommendation concerning TVET, 2015 by UNESCO)

DID YOU KNOW?

TVET programmes in Malaysia are offered by six (6) ministries, namely:

MINISTRY OF HUMAN RESOURCES



- Advanced Technology training Centre
- Japan-Malaysia Technical Institute
- Institut Latihan Perindustrian

MINISTRY OF EDUCATION



- Vocational College
- Polytechnics
- Community Colleges

MINISTRY OF YOUTHS AND SPORTS



- Youth and Sports Ministry Training Institutes

MINISTRY OF WORKS



- Construction Industry Development Board

MINISTRY OF AGRICULTURE AND AGRO-BASED INDUSTRY



- National Agriculture Training Centre

MINISTRY OF RURAL AND REGIONAL DEVELOPMENT



- Kolej Kemahiran Tinggi MARA

(Source – Gathered information from respective Ministries website)

GRADUATES EMPLOYABILITY IN MALAYSIA

Top Five (5) Reasons of unemployment:

1. Taking a break
2. Still seeking for job
3. Lack of confidence to face the working environment
4. Responsibility towards family
5. Health problem

***74.9%**
Private universities

***75.1%**
Technical & Vocational Training Institution

***78.4%**
Public universities

***94.5%**
polytechnics

***96.7%**
Community colleges

(Source: Graduates Tracer Study 2017 by Higher Education Ministry)

Key Message 1:

“Qualifications for academic (higher education) and vocational education offered by universities, polytechnics and community colleges under the ministry are accredited by the Malaysian Qualifications Agency (MQA), whereas programmes offered by skills training institutions are accredited by the Department for Skill Development of the Human Resources Ministry.”

Key Message 2:

“The industry’s high demand for TVET graduates proves they are comparable to those who graduate from universities, in terms of employability.”

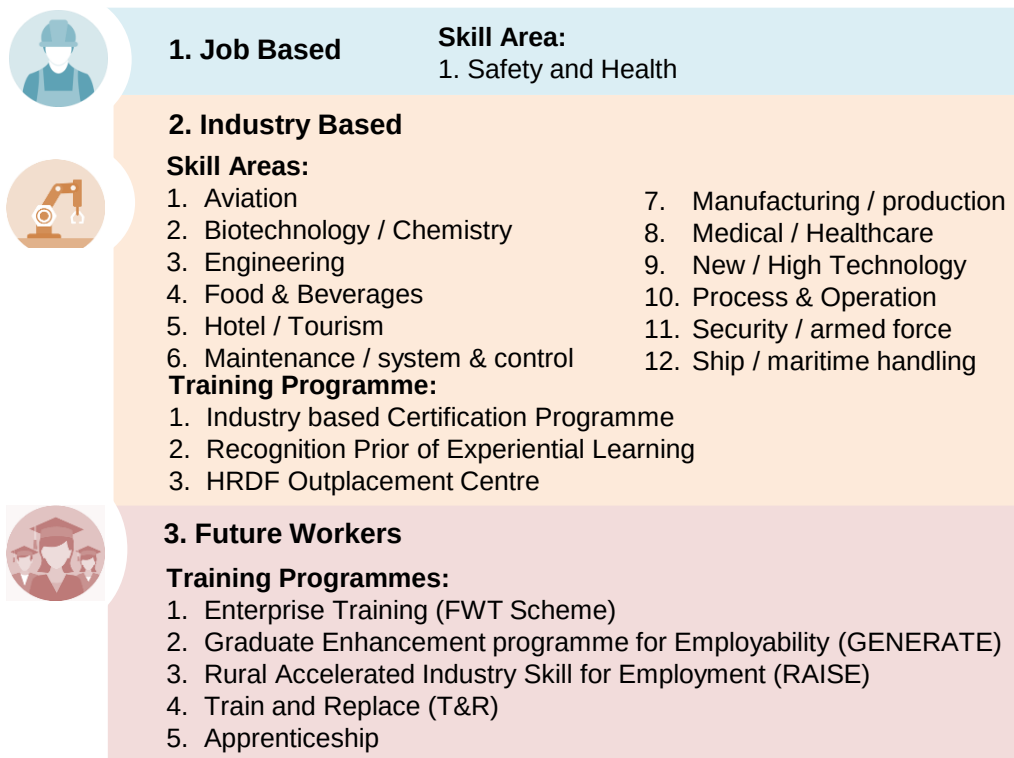
*The percentage of graduates employability comprised of those who are employed, further study, upgrading skills and waiting for work placement.

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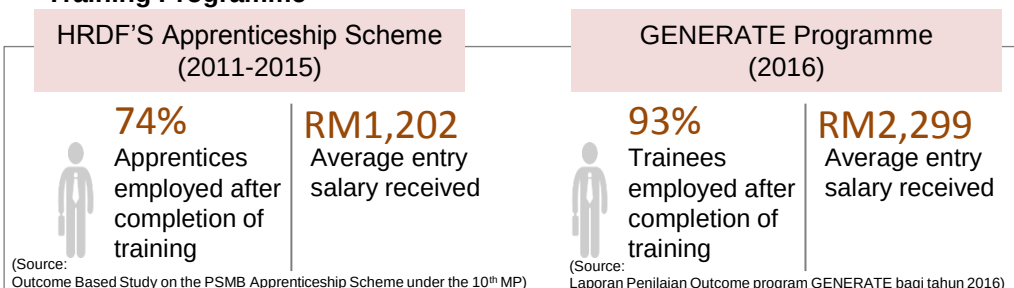
TVET PROGRAMMES BY HRDF

Based on the earlier definition, HRDF has grouped the skill areas and schemes based into three (3) categories:

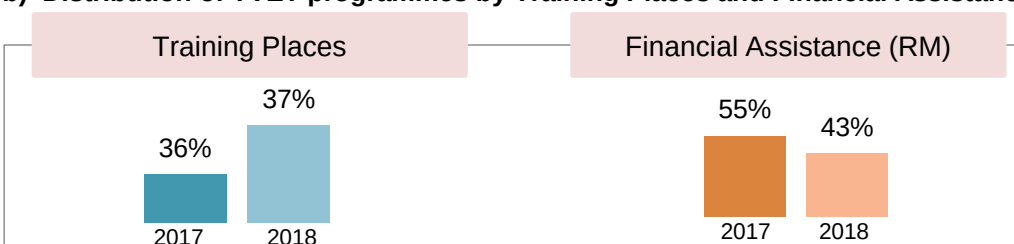


ACHIEVEMENT OF TVET PROGRAMMES BY HRDF

a) Key Findings from the Outcome and Effectiveness Study for Future Workers Training Programme



b) Distribution of TVET programmes by Training Places and Financial Assistance



KEY TAKEAWAY FOR HRDF

As there is indication that TVET training will significantly increase employability and wages, it should be encouraged increased over time. An effectiveness study from the World Bank Group has indicated that training an additional one percent of the workforce is associated with a nearly 3 percent increase in productivity*. With the significant correlation between productivity and wages, HRDF should direct its resources more toward TVET related training.

Key Message 3:

"The average entry income received were significantly higher than minimum wage."

Key Message 4:

"HRDF employers are starting to realise the importance of TVET programmes and are opting for vocational related courses for their employees to gain skills in different fields."

*The correlation between productivity and wages differ across different career stages. Kindly refer to Van Biesebroeck, 2015's article titled "How tight is the link between wages and productivity? A survey of the literature" by ILO for more information



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