

HUMAN RESOURCE DEVELOPMENT CORPORATION



HRD CORP WEBINAR SERIES 1, 2021: THE CURRENT WORKFORCE SCENARIO

THE COVID-19 PANDEMIC has brought about significant changes within the Malaysian economic landscape most notably in the form of business disruption and loss of revenue. Sectors such as aviation and hospitality have been the hardest hit, letting go of many of their employees and contributing to the rise in the nation's unemployment rate in the past year. Having survived a difficult year however, these industries are eager to kick back into gear and rebuild their businesses.

The Human Resource Development Corporation (HRD Corp) is dedicated to helping industry players achieve this goal through human capital development.

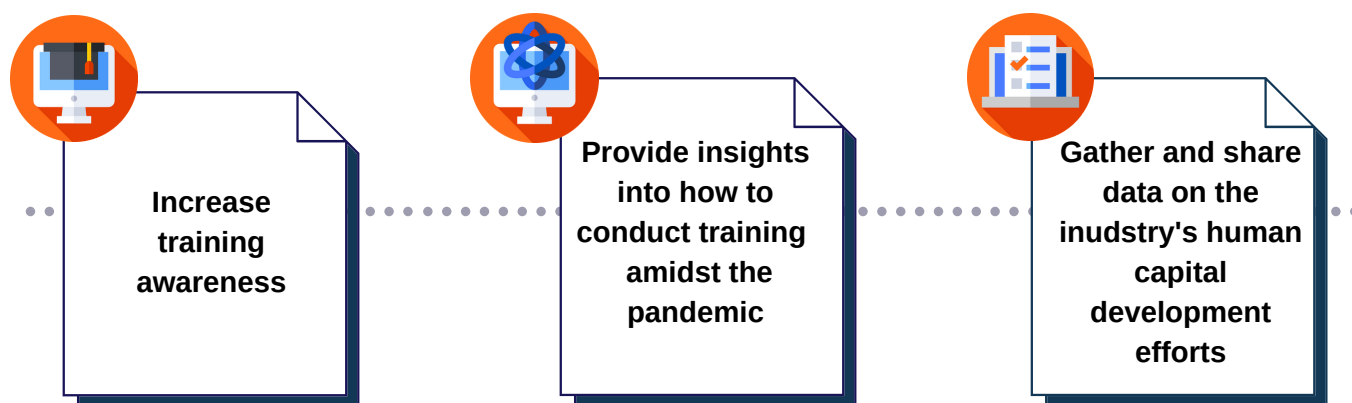


Diagram 1: Main Objectives of HRD Corp's Webinar Series 2021

With this in mind, HRD Corp has initiated a webinar series to call for a discussion on post-COVID-19 workforce recovery plans. The series featured **five (5) themes**, with the first theme (held on the 26th of February 2021) revolving around the **Current Workforce Scenario**.

This article provides a **brief summary and review of the key highlights from the first webinar**.



Diagram 2: Moderator and Panellist Line-up

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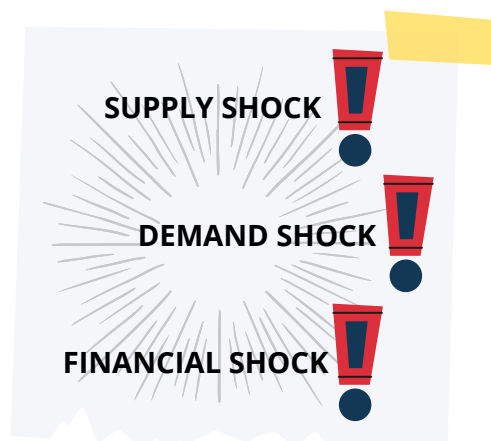
Introduction: Impact of COVID-19 on the Labour Market and the Way Forward

The webinar moderator, Dr. Amanina Abdur Rahman shared several findings from the International Labour Organisation's (ILO's) recent study on the impact of the pandemic on the labour market, and noted three (3) major "shock waves" which the world had to collectively endure.

First, the world was hit with a supply shock, wherein public health rules forced a severely reduced labour supply and caused significant supply chain disruption.

Next, a demand shock occurred with sharp, immediate, and sustained impact on key sectors such as tourism and hospitality. This led to growing secondary effects to jobs and earnings as well as wealth decline.

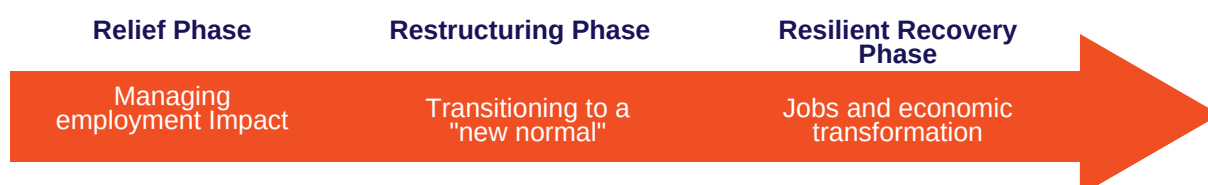
Finally, the world faced (and is still facing) **financial shock** with a liquidity crunch arising from debt default and economic uncertainty.



The impact of these "shock waves" were widespread but uneven, hitting certain parties harder than others:



As a result, there is a very significant decline in employment, with the Asia Pacific (APAC) expected to suffer **140 million full-time equivalent job losses on average** within the year 2020. As economies gradually recover from the crisis, the aim of job responses should evolve in accordance with the transition from **relief and restructuring phases to a resilient recovery phase**:



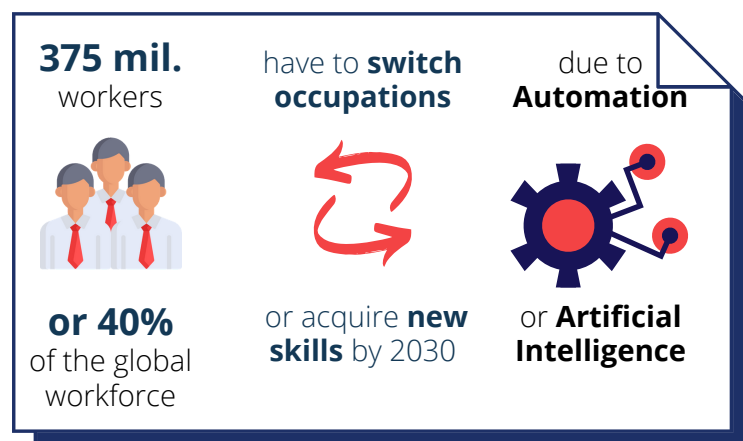
In order to ensure a smoother transition from the restructuring phase to the resilient recovery phase, the following **3 pillars** must be applied:

- Exit strategy from emergency measures;
- Support to "COVID-19 Generation" of workers; and
- Stimulate demand and support livelihoods.



Topic 1: Skills Development during a Pandemic: Employee Adaptability and Continuous Self-Improvement

Yang Berhormat (YB) Datuk Seri M. Saravanan, the Minister of Human Resources highlighted that the capacity to adapt to various changes is important, and even more so during this pandemic. This is even more necessary as globalisation, new technologies, and greater transparency have caused further disruptions to the business landscape.



Even before COVID-19, McKinsey Global Institute estimated that as many as 375 million workers or 14% of the global workforce would have to switch occupations or acquire new skills by 2030 due to the emergence of automation and artificial intelligence.

McKinsey also highlighted that 87% of executives said they were experiencing skill gaps in the workforce or expected to in the next few years.

Hence, it is evident that **adaptability is crucial** for all employees, as it helps ensure that they remain relevant in the workforce. Benefits of employee adaptability include the following:

Functional changes within the organisation

Promotes success

Virtual Teaming

Reduces risks of misalignment

1

2



3

- Improve employee engagement & retention
- Attract new talent

Speed up the adoption of new trends

Like many other soft skills that modern businesses are looking for, adaptability can also be learned and practised. Some of the practices that can be implemented in organisations are:

Develop new skills for the "distance economy"



Digitisation

Reinventing work & jobs

Encourage and host virtual social time



Virtual coffees, birthdays

Workers' well-being

Launch company-wide re-skilling programmes



Address skills gap

Implement new business model

Additionally, employers may consider corporate gifting to improve employees' engagement and retention. In conclusion, adaptive performance is imperative within the current workforce environment. For individuals and organisations to thrive, it is important to have a climate that encourages individuals to engage in adaptability and adaptive performance.



Topic 2: Surviving Competition in a Post COVID-19 Era: The Role of the SMEs

Datuk Wira Hajah Mas Ermieyati Binti Haji Samsudin, the Deputy Minister of Entrepreneur Development and Cooperatives (MEDAC), emphasised the importance of Small and Medium Enterprises (SMEs) as drivers of economic growth. Contributing RM552.3 billion or 38.9% to our Gross Domestic Product (GDP), RM176.3 billion or 17.9% to our exports, and RM7.3 million workers to our nation's workforce - it is evident that SMEs may very well be considered the "backbone" of Malaysia's economy.

The 2030 National Entrepreneurship Policy (*Dasar Keusahawanan Negara*) and *Wawasan Kemakmuran Bersama* Policy target that, by 2030, SMEs should contribute a whopping 50% to our GDP. To realise this target, the government has introduced various initiatives and assistance programmes under the economic stimulus packages such as wage subsidies, tax deferment, moratoriums, exemption and postponement of rentals, hiring and training assistance, digitalisation, automation and technology transformation fundings, as well as matching grants.

However, despite all these efforts, the harsh reality is that SMEs are struggling to stay afloat and adapt to the new norm. To make matters worse, MEDAC's recent survey revealed that there is a mismatch between government assistance and the actual support needed by SMEs.

In response to this, MEDAC has introduced a "5 Es" approach, allocating **RM3.5 billion for 48 programmes** which will benefit Malaysians of all levels and backgrounds. The "5 Es" include:

To remain resilient and competitive, SMEs need to:



- Embrace new business norms
- Digitalise and automate
- Explore new business areas
- Expand existing customer base
- Adopt a cross-channel approach



ENCULTURATE

- Enculturate an entrepreneurial mind-set and values
- Develop creative, innovative, highly knowledgeable and resilient entrepreneurs
- Adopt advanced technologies
- Build capacity and capability of the youth



ENABLE

- Formalise the Informal
- Build capacity and capability
- Provide access to assistance and other facilitation
- Generate income and create jobs



EMPOWER

- Strengthen the SMEs resilience
- Build capacity, promote automation & digitalisation and improve access to markets and funds
- Venture into high growth and new opportunities



ENERGISE

- Transform and rejuvenate the cooperatives movement
- Establish a strong and structured foundation
- Drive growth and excellent achievement
- Improve socio-economy and income levels of society



ENGAGE

- Increase stakeholders engagement sessions
- Increase outreach and awareness
- Reduce bureaucracy
- Practice inclusive and friendly customer delivery systems

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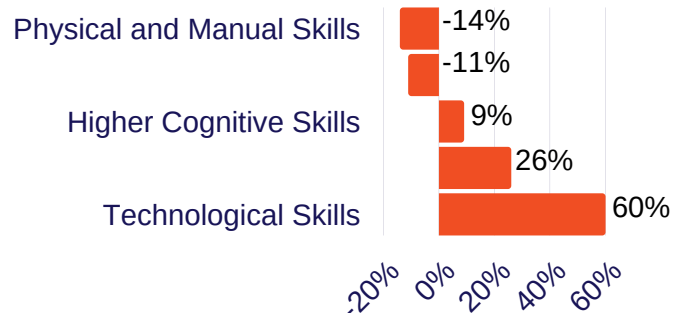


Topic 3: Moving Towards Post-COVID-19 Recovery: Diversification of Talent for Sustainable Livelihood

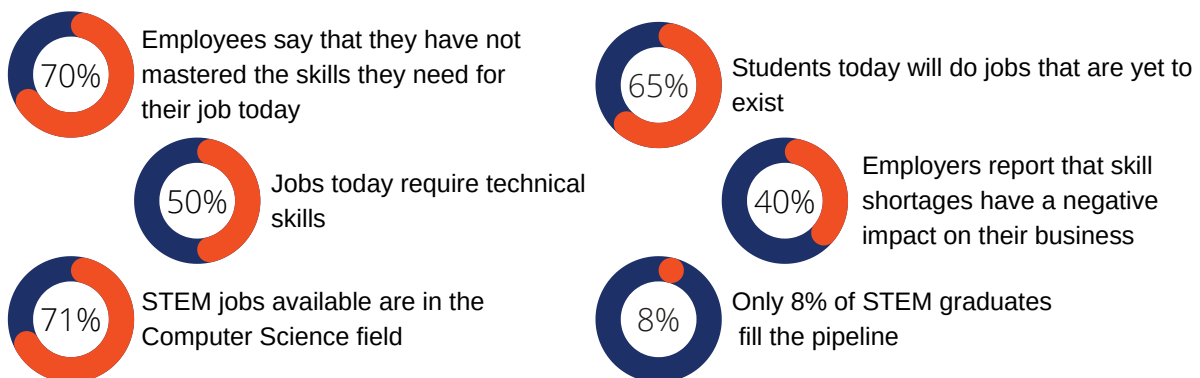
The final panellist, Dr. Jasmine Begum mentioned that the pandemic has shifted from a health crisis to a social crisis, followed by a financial crisis. We are now faced with three (3) compelling issues that need to be resolved immediately, including a global economic crisis, readjusting or returning to a different economy, and preparing for an intensified skilling challenge.

The path to economic recovery and resilience requires us to embrace opportunities and ensure business continuity by rethinking technology as a platform, innovation as a culture, education as digital upskilling, and organisational design as a resilient structure.

McKinsey Global Institute's Workforce Skills Model reveals the evolution of the demand for skills by 2030 from physical and manual to technological skills. This acts as a reminder that one should constantly update their skillsets to keep up with technological advancements.



Consequently, there's an urgent need to close the skills gap and ensure talent diversification and employability. The following figures re-iterate these urgent needs:



The way forward is to create sustainable employment and equip ourselves with **future-ready skills**. It is crucial to empower the world with an employability ecosystem where individuals, employers, and communities thrive.





Conclusion and Reviews

Resilience, Adaptability, and Future-ready Skills

One common and recurring idea among all panellists is the importance of resilience and adaptability, be it on a personal or organisational level. In fact, recruitment expert Michael Page named adaptability as the most desirable skill of 2019 and LinkedIn place it in the top four for 2020.



YB Datuk Seri M. Saravanan shared tips on how to cultivate adaptability among employees at the workplace, however, it is also crucial for individuals to take this initiative personally. In an article by Forbes titled, "14 Signs of an Adaptable Person," Jeff Boss identifies the following traits of adaptable people:

They experiment, see opportunity where others see failures, they are resourceful, they think ahead, don't whine, talk to themselves, and don't blame others. They also don't claim fame, are curious, open minded, observe systems, and stay current. However, if one does not consciously possess any of these traits, there are ways to cultivate them. On a personal scale, one should start by attempting to change their thought process and encouraging themselves to be a risk-taker.

As for SMEs, adaptability in this context translates (in part) to the ability to quickly modify their business model in response to the pandemic, using existing resources. For example, a hotel which has been negatively impacted by the pandemic can offer to deliver room service to their customers' doorstep - including food, goodies from their bakery, supplies from their spa, and other merchandise, in order to offset the losses that they have incurred. The 5Es approach implemented by MEDAC is geared to facilitate this and many other processes related to SMEs' survivability.

In addition to resilience and adaptability, as highlighted by Dr. Jasmine Begum, gearing up for future skills requirements are equally crucial. Robert Walters Group shared 6 tips on how to future-proof employability, 3 of which echo her points and those of the other two panellists; switch on your tech brain, broaden your transferrable skills, and finally, practice adaptability.



The key to excelling in the next generation of jobs and adapting to the post-pandemic workplace is to focus on building a fluid technological skillset. Although being out of work for an extended period of time can be stressful, the best thing to do is to use this time to prepare for the future.

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