

NO. 1 / 2021

TRAINING SUPPLY IN MALAYSIA



HRD CORP INDUSTRIAL INTELLIGENCE REPORT



MINISTRY OF
HUMAN RESOURCES



INTRODUCTION

What's Inside?

The HRD Corp Industry Intelligence Report aims to disseminate information about the human capital and learning environment based on HRD Corp's internal data and market movements. This issue of Training Supply in Malaysia focuses on the population, types of training, financial assistance, training performance outlook and strategic initiatives to support Malaysia's training supply.

Developing skills is as important as training. A large effort is needed to create a skilled workforce with employment potential.

M. M. Pallam Raju

Former Union Minister of Human Resource and Development of India

Training and development are most effective when they are conducted strategically. This requires a strong focus on content development, delivery methods and technological integration (Harward & Taylor, 2014). At 94%, the majority of Malaysian respondents regard upskilling as important. This is particularly the case in the areas of digital and remote working-related skills (Hays: Uncovering the DNA of the Future Workplace in Asia, 2020). Every employer and employee should be trained to ensure that they have the understanding and skills required to deal with the integration of elements within cyber-physical systems such as Advanced Robotics, Communications and Networking, Artificial Intelligence and the Internet of Things (IoT) as we progress through the Fourth Industrial Revolution (IR 4.0).

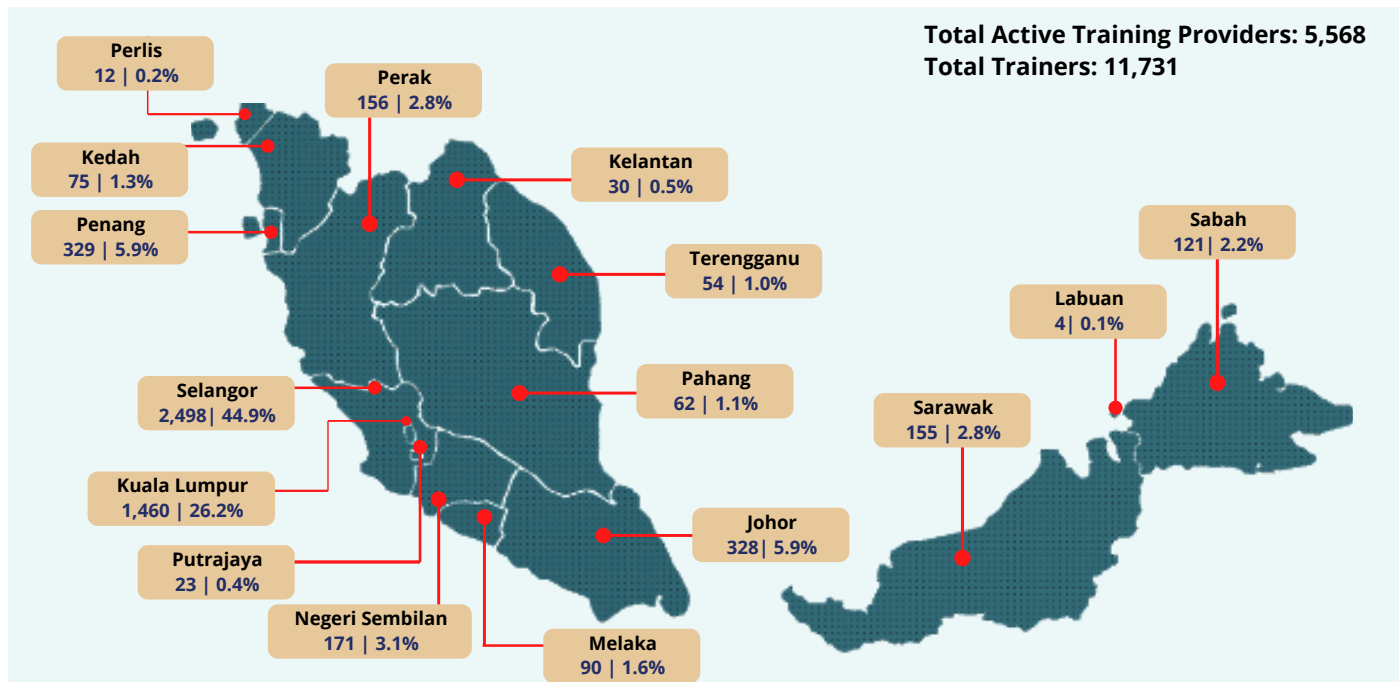
Additionally, Malaysia's efforts to drive digital talent development and workforce upskilling have received global recognition in the recently released Global Talent Competitiveness Index 2020 (GTCI 2020). Without adequate preparation and ability enhancement, employees may feel uncomfortable and stressed during this integration. Therefore, it is the responsibility of the training provider to assist leaders in developing the ability to initiate and manage internal changes.

Training Supply for Malaysians by HRD Corp

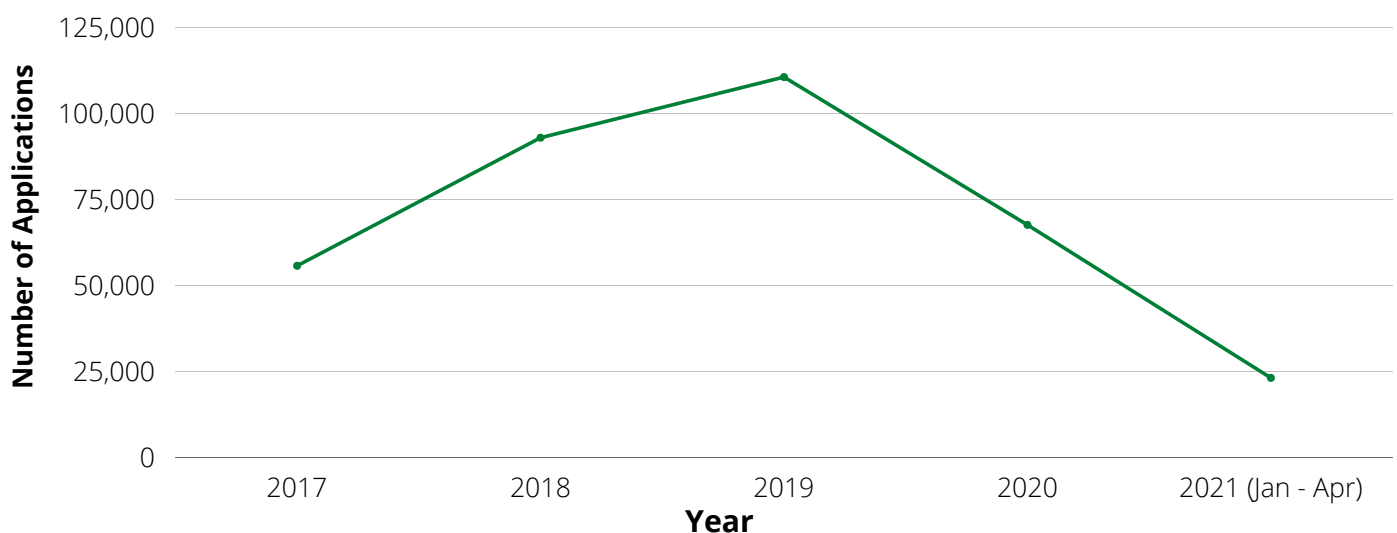
Over the years, HRD Corp has launched various initiatives that enable employers to enhance their employees' skills and knowledge, aligned with industrial needs. With 35 skill areas covered by HRD Corp-registered training providers in 76 subsectors as of May 2021, employers are able to upskill their employees through recognised and certified training providers by utilising their levy. This report will portray the current HRD Corp training supply trend and initiatives that employers can benefit from in the development of skills in the work environment. The overall performance analysis is based on HRD Corp's internal data.

According to HRD Corp's internal data, as of April 2021, there are 5,568 active training providers registered under HRD Corp. As most of the economic activities are concentrated in Selangor, there is a high number of active registered training providers located in the state, which is 45% (2,498) of all providers. The state with the lowest number of registered training providers is Labuan, with only four (4) training providers (0.1%).

Distribution of Active Registered Training Providers by States



Training Activities by Registered Training Providers



The trend shows HRD Corp-registered training providers' activities increased by 67% (92,876) and 19% (110,482) respectively in 2018 and 2019. It started to decline as COVID-19 hit us in 2020 by 39% with 67,578 training applications approved. Earlier in 2021, there were 23,163 training applications approved from January to April 2021. At this rate, with the inclusion of newly covered sectors, more than 90,000 training activities are predicted to be covered by HRD Corp by end of 2021.

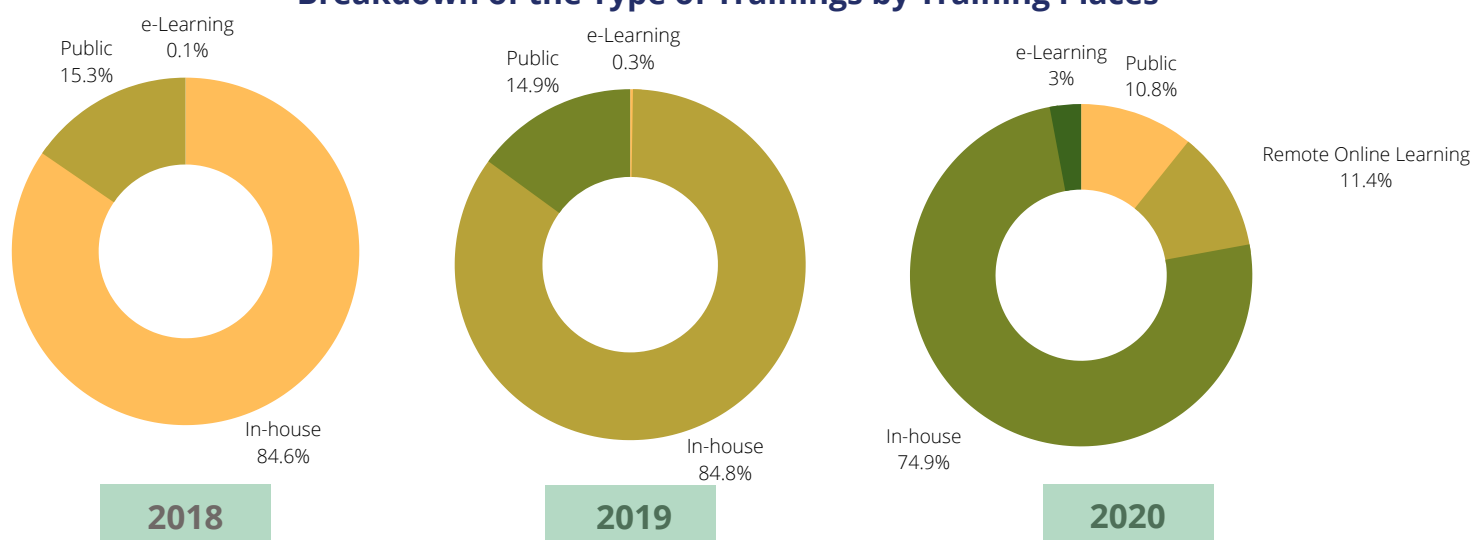
TYPES OF TRAINING IN MALAYSIA

The pace and scale of disruption brought forth by IR 4.0 would require more than one billion people in the world to be reskilled by 2030 (World Economic Forum, 2020). Employers need to be more creative and informed of the accelerated pace of technological development to meet the industry's needs.

Training patterns started to change after the pandemic struck us in 2020. According to HRD Corp's internal training places data, the most common modes of training performed in 2018 and 2019 were in-house, public, and e-Learning. In-house training was the top mode of training chosen by the employer in the past but it dropped by 11.1% in 2020 due to restrictions in mass gathering and physical distancing. Following the pandemic, most training providers switched to online training, resulting in the increase in e-Learning from 2.6% in 2019 to 11.1% in 2020, with Remote Online Learning being the most preferred mode of engagement.

Notably, half of Malaysia's employers (50%) now provide e-learning opportunities (Hays: Uncovering the DNA of the Future Workplace in Asia, 2020). Online learning became the most relevant alternative and option for employers to ensure employees' development, even in times of crisis.

Breakdown of the Type of Trainings by Training Places



FINANCIAL ASSISTANCE APPROVED FOR TRAINING

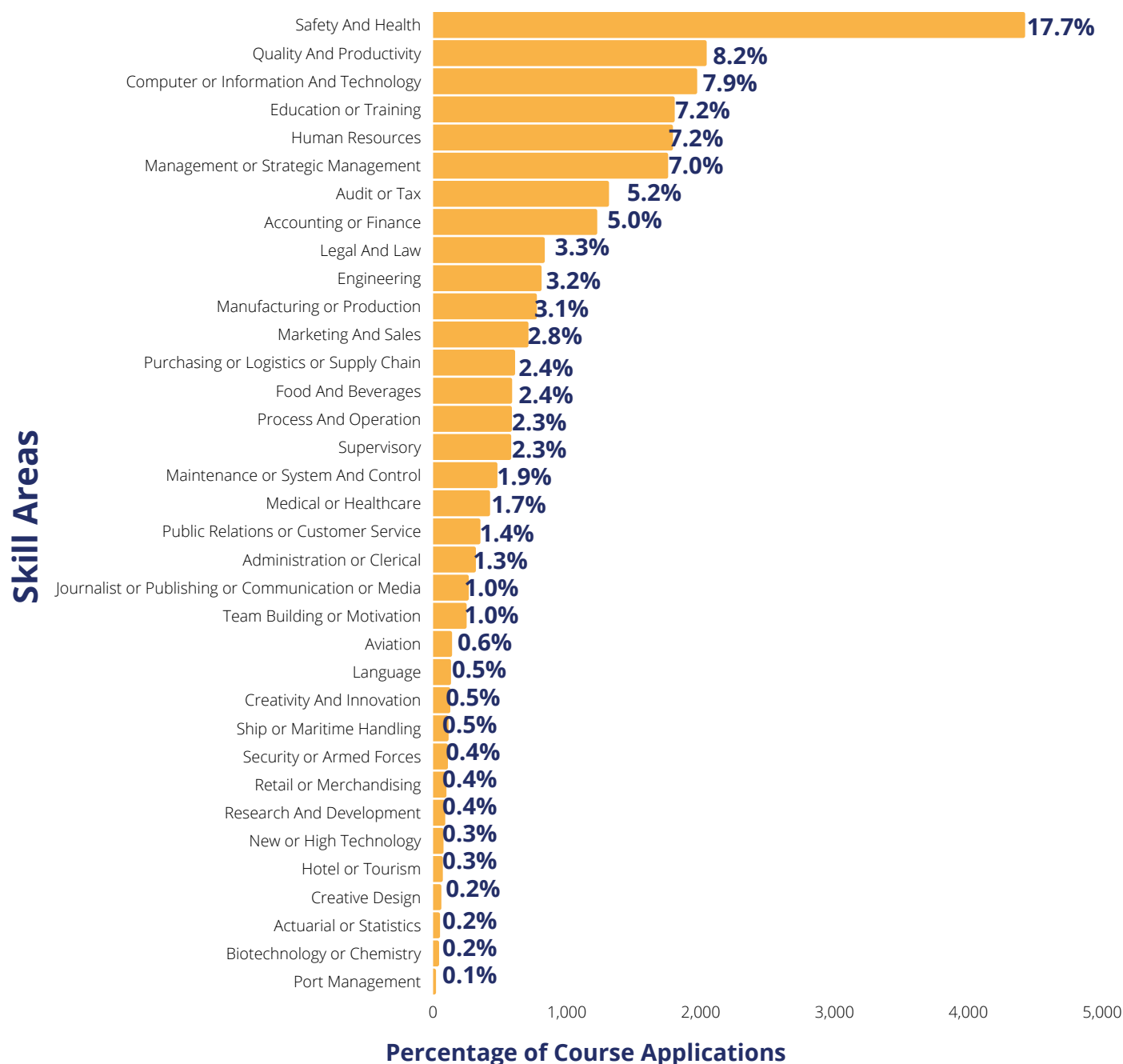
Rapidly evolving technology, regulatory constraints and relentless pressure to hit short-term financial targets may be hindering firms from making needed investments to upskill their employees. Instead of the cost of training, one of the biggest concerns that employers have about sending their employees for training is whether the knowledge from said training is necessary for the employee's skills and development. HRD Corp's data from January to May 2021 revealed that organisations in Malaysia invested a total of RM13.6 million into employee training, which covered external and internal trainer fees.

Trainings conducted by external trainers were the most preferred approach in 2021. There were 73% (3,534) grant applications for external trainers and 27% (1,286) for internal trainers as of May 2021. The certification level for courses related to external trainers were mostly Certificate of Attendance 67% (3,248) and Professional Certificate 6% (265) which required professional trainers and experts in related skill areas such as Safety and Health, Quality and Productivity, Education or Training and Management or Strategic Management.

TRAINING PERFORMANCE OUTLOOK

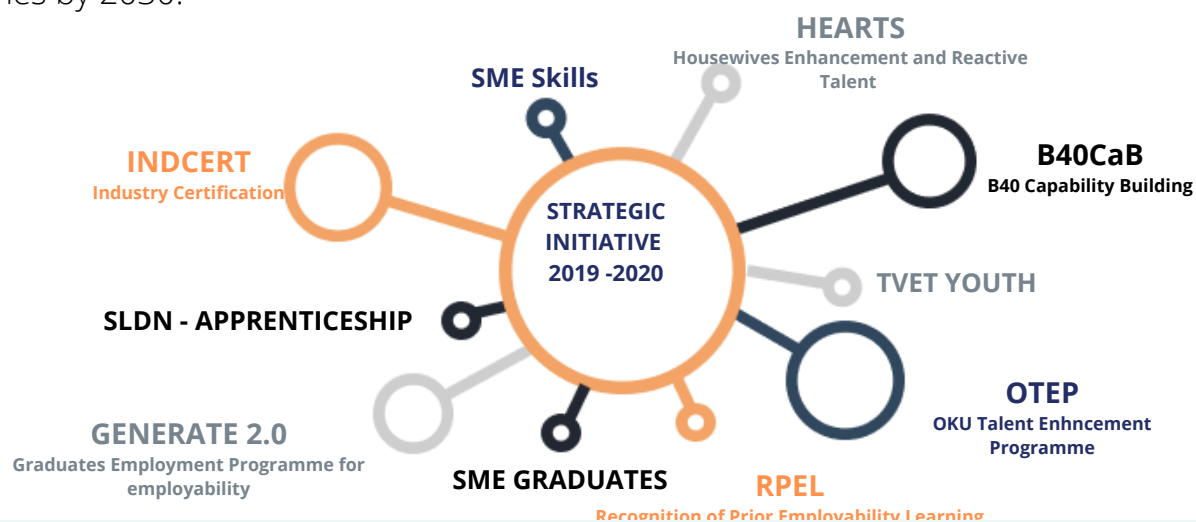
The third strategic thrust in the Shared Prosperity Vision 2030 aims for 40% of HRD Corp trainings to be in skills related to IR 4.0 by 2030. The skills include Big Data, Artificial Intelligence, Augmented Reality (AR) and Machine Learning. In May 2021, HRD Corp's internal database showed Safety and Health as the top skill area with 18% courses offered out of 35 skill areas. This is due to each industry's need. The next highest skill areas covered are Quality & Productivity as well as Computer or Information Technology with 8% and 7% of training courses approved. The top courses approved were Essential Skills of Developing Future Leaders 0.45% (113), Food Handler 0.38% (96) and Developing Data-Driven High Potential Employees 0.35% (88). Employers are encouraged to work hand in hand with the associations or training providers in developing more meaningful modules related to IR4.0. This will ensure that all industry players can reach the level of digitally-driven workforce required by the nation in the near future.

Competency Areas by Training Course Applications



STRATEGIC INITIATIVES

HRD Corp's upskilling and reskilling master plan emphasises diversity and inclusion to better fulfill Malaysian's training interest. HRD Corp's focus group are the employees, Persons with Disabilities (PWDs), low income groups (B40), underprivileged youths, ex-servicemen, latent housewives, ex-prisoners, SMEs and retirees. In December 2020, the top courses offered in this strategic initiative were related to digitalisation and IR 4.0, entrepreneurship as well as SME development. Some of the schemes benefited young graduates, who enjoyed upskilling and reskilling in the early stages of their involvement in the industry, as this era pushes for advancements in Artificial Intelligence (AI) and automation. Based on the types of courses available, we are at a reasonable stage to meet the national goal of producing at least 40% of workers trained in IR 4.0 through HRD Corp training programmes by 2030.



Top 3 Courses under Strategic Initiatives Offered by HRD Corp Registered Training Providers as of December 2020

INDCERT

1. Big Data Analytics for Cyber Physical Production System (CPPS) (44 Courses)
2. Professional Certificate in Warehouse Management (37 Courses)
3. Industrial Revolution 4.0 - Cyber Security (25 Courses)

B40

1. Entrepreneurship & Financial Programme for the B40 Group (130 Courses)
2. Safety and Health Officer (44 Courses)
3. Site Safety Supervisor (42 Courses)

SME Skills

1. SME Change Leadership (25 Courses)
2. Food Safety Management System Standard & Awareness Training (25 Courses)
3. Industrial Revolution 4.0 - Foundation/Get Started with Smart Factory (25 Courses)

CONCLUSION

Training supply in Malaysia has undergone significant progress towards the national agenda of accelerating the adoption of digital foundations outlined in the Malaysian Digital Economy Blueprint 2020. All industry players should pay special attention to the training needs of digital skills in their current workforce. The trend in training methods has evolved over the years from instructor-led classrooms to learner-driven online platforms. Fast-paced technological developments have made over the traditional approach by enhancing efficiency in employee training in order to produce expertise for every industry. This will place Malaysia in good stead to become a digitally-driven, high-income nation and a regional leader for the digital environment of the future.