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TVET crucial to future workforce

HARNESSING LOCAL TALENT

# TVET CRUCIAL TO FUTURE WORKFORCE

It is the answer to labour shortage and skills mismatch among fresh graduates, say employer groups

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**T**HERE is an increasing need to improve the relevance of skills development and further promote Technical and Vocational Education Training (TVET) among school leavers, said employer groups.

This, they added, would help address the shortage of local talent and workforce, thus reducing the reliance on foreign workers.

Malaysian Employers Federation (MEF) president Datuk Dr Syed Hussain Syed Husman said skills mismatch remained a problem in Malaysia, where the skills of fresh graduates did not meet industry standards.

"There is a shortage of local talents with digital and innovation skills.

"The next government needs to focus and improve on the relevance of skills development and TVET systems

through industry-led learning models, including the establishment of sector-specific skills councils and the adoption of apprenticeship programmes by relevant industries.

"There is also a need to further promote TVET among school leavers, as it prepares students with specific skills for a specific job.

"This makes them more employable, as they are equipped with the right skills, giving TVET graduates an advantage in the job market compared with fresh academic graduates," he told the *New Straits Times*.

He said the government should also continue to support the efforts of micro, small and medium enterprises' (MSMEs) to innovate, improve their connectivity and digitalisation processes, and expand into markets, which are crucial to the country's economic development and growth.



Students working in a Technical and Vocational Education Training centre at Linköping University of Creative Technology, Cyberjaya. FILE PIC

**EMBRACE THE 'NEW NORMAL'**

At the same time, he said, MSMEs must move away from labour-intensive industries and adapt to the "new normal".

The new administration, he added, should also ensure a more efficient and transparent application process for foreign workers.

Syed Hussain described the shortage of foreign workers as a major challenge to economic recovery, adding that many employers were still unable to commit to new orders because of the labour shortage.

He said it was also important for the authorities to provide employers with a clear, consistent and transparent application process including guidelines, criteria, documentation, and

terms. "The government needs to shorten the time for foreign workers to arrive in the country, as companies urgently need workers to expand and boost their businesses.

"MEF urges the next government to discuss and negotiate with source countries to control and cap the recruitment fees charged by the agents at the source countries.

"This is because whatever fees they charge will eventually be paid by the employers in

Malaysia under the zero-fee recruitment policy.

"The government should move to a G-to-G (government-to-government) mechanism to avoid issues of forced labour."

He also urged the government to allow foreign workers to be employed for a longer period to retain skilled foreign workers.

"Currently, foreign workers are employed for a short duration and Malaysia has become a training ground for many new unskilled foreign workers."

Syed Hussain praised Barisan Nasional (BN) for proposing a foreign workers policy in their manifesto, and said foreign workers would be receptive to recruitment and would be more productive since their salaries would be based on their skill level.

"It is a good initiative.

"Enhancing the recruitment of skilled foreign workers will assist Malaysian businesses in introducing automation and mechanisation moving towards Industrial Revolution 4.0 (IR4.0).

"This will eventually increase productivity and businesses will be able to reduce labour-intensive processes."

BN, in its *Pelancaran Pelan Amal dan Usaha* (Padu) manifesto launched last Monday, pledged to introduce a Migrant Worker Policy which upholds human security, places stronger emphasis on skills and a salary and remuneration scheme which commensurate with productivity.

**HOLISTIC LABOUR POLICIES**

Meanwhile, Federation of Malaysian Manufacturers (FMM) president Tan Sri Soh Thian Lai urged the next government to take a holistic approach to labour policies and address the requirement of skilled workers — including TVET and science, technology, engineering and mathematics disciplines — and unskilled workers.

He said these were complementing factors to assist with business recovery and transformation to more high technology and high value-added manufacturing processes in line with IR4.0.

"As for the foreign worker shortage, we call on the new government to ensure an efficient and quick processing system, which ideally should be entirely online, as processing should be based on the information and documents declared by the applicant.

"The system should also be able to cross-check with other databases on the authenticity of the information provided by the applicant."

Soh also said a multi-tier levy mechanism (MTLM) would be the ideal solution in introducing an effective foreign worker processing system, while prioritising the development of a skilled workforce.

He said FMM had always been an advocate of market-based levy mechanism, and had, since 2009, been proposing to the government to introduce MLTM as an effective mechanism to reduce dependence on foreign workers.

This, he added, could be done by allowing the forces of demand and supply to determine outcomes, effectively influencing

market behaviour without distortions, provide clarity and certainty to approvals, reduce bureaucracy, and remove opportunities for abuse and corruption.

"In addition, the levy collected via the MTLM should not be taken as revenue by the government but instead be ploughed back to the industry to fund initiatives that would help industries reduce their dependence on foreign workers.

"In this regard, FMM has proposed for 60 per cent of the levy collected to be channelled to a National TVET Apprenticeship Fund for the training of TVET graduates.

"The remaining 40 per cent can go towards a National Automation Fund for the adoption of automation and IR4.0 technologies, on top of grants that are available to improve productivity levels."



Datuk Dr Syed Hussain Syed Husman



Tan Sri Soh Thian Lai