

Mining and Quarrying

Malaysia has long been recognised as one of the world's leading producers of tin and non-energy materials, including bauxite, coal, copper, and iron gold. The Mining and Quarrying sector plays a significant role in the country's socioeconomic development since many other major economic sectors rely on the sector's activities and output.

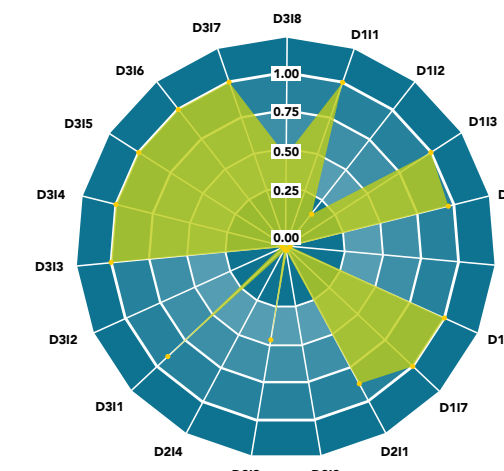
Similar to other sectors, the decline in economic performance was due to the massive hit on economic activity from the Government-imposed movement control orders on businesses to control the spread of COVID-19. This vital sector was affected by financial distress, making it difficult to meet financial obligations. Aligned with the Government's stimulus package, HRD Corp

registered employers in the Mining and Quarrying sector were exempted from paying levies for (6) six months, effective April 2020 to September 2020. Meanwhile, in 2021, all registered employers were exempted from paying levies from June until August.

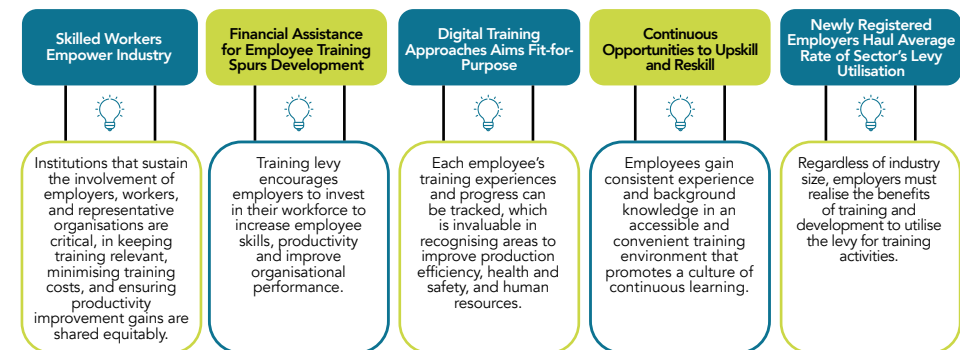
The top five (5) active subsectors in the Mining industry with the highest training index scores are as follows:

- 1) Extraction of Crude Petroleum (0.52);
- 2) Extraction of Natural Gas (0.34);
- 3) Mining of Hard Coal (0.30);
- 4) Quarrying of Stone, Sand and Clay (0.30); and
- 5) Support Activities for Petroleum and Natural Gas Extraction (0.29).

Index Score: 0.77 (Leader)



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Construction

As the sector typically deals with technical and highly skilled jobs, it needs to develop a comprehensive and strategic plan to attract talented and highly skilled workers.

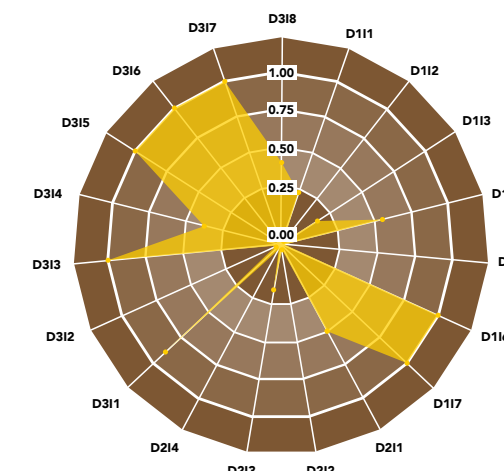
In addition, the sector faces a labour shortage, estimated at approximately 400,000 workers (CIDB, 2022). Creating a long-term, sustainable workforce through apprenticeship or TVET training is necessary to solve this problem.

HRD Corp has initiated various programmes encouraging the industry to improve training and development.

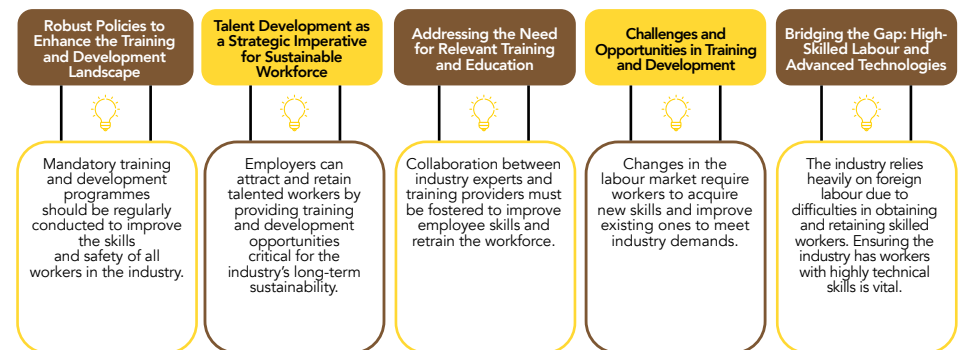
The top five (5) subsectors in the Construction industry with the highest training index scores are as follows:

- 1) Construction of Buildings (0.28);
- 2) Construction of Roads and Railways (0.25);
- 3) Construction of Other Civil Engineering Projects (0.21);
- 4) Other Specialised Construction Activities (0.21); and
- 5) Construction of Utility Projects (0.20).

Index Score: 0.44 (Adopter)



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Agriculture, Forestry & Fishing

The Agriculture, Forestry and Fishing sector has been Malaysia's economic backbone for many years. Malaysia's current economy is deeply rooted in Agriculture, contributing to food, security and growth.

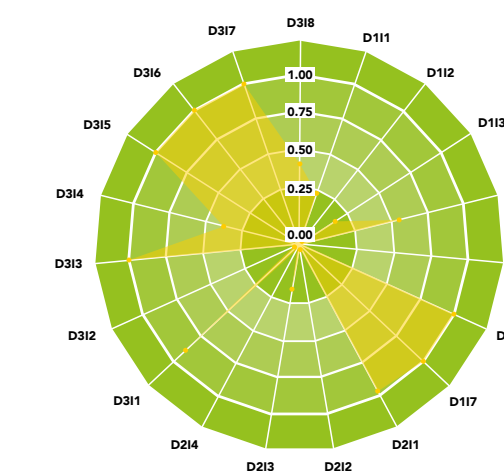
The Agriculture, Forestry and Fishing sector has consistently grown over the years, contributing to the country's economic development.

Employee training and development in this sector is vital to improve productivity, efficiency and build resilience.

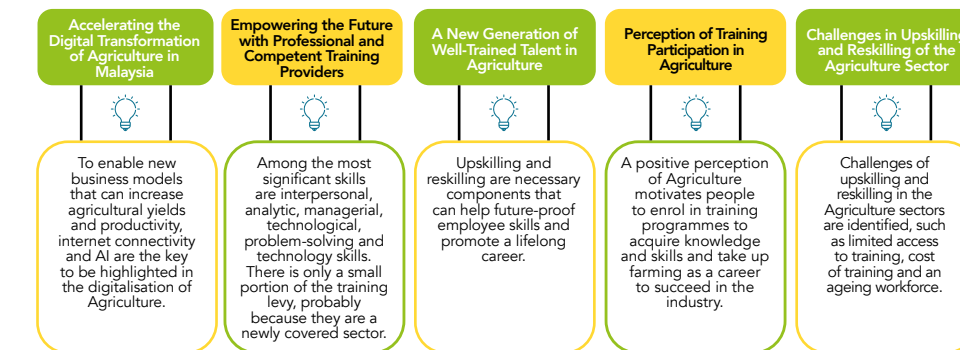
The top five (5) active subsectors in the Agriculture, Forestry and Fishing industries with the highest training index scores are as follows:

- 1) Support Activities to Agriculture and Post-Harvest Crop Activities (0.35);
- 2) Mixed Farming (0.34);
- 3) Plant Propagation (0.28);
- 4) Growing of Perennial Crops (0.26); and
- 5) Animal Production (0.25).

Index Score: 0.48 (Adopter)



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Conclusion

Ascertaining the state of our current achievement in the global labour market and the areas for improvement is essential for policymakers, investors, industry players, and workers. By acknowledging the present situation, Malaysia can create effective strategies and policies to improve the country's labour force.

As a roadmap for formulating and implementing a sustainable workforce strategic plan, the NTI framework is comprehensive and covers various industries and sectors. It offers an all-encompassing evaluation of the training development capacity and dedication of employers in Malaysia. In addition, the Index is an effective means of monitoring progress and comprehending the influence of training development on the skills and productivity of the workforce.

Strong Focus on Lifelong Learning in Malaysia

With an index score of 0.70, Malaysia has become an 'Experienced' nation in human capital development. The country emphasises providing education and training opportunities for individuals throughout their working lives. The results show that in Malaysia, many organisations have dedicated units for training or training facilities at their premises, indicating a commitment to employees' training and development.

For Malaysia to become a 'Leader' in lifelong learning or human capital development, addressing the training challenges faced by SMEs is necessary. SMEs often face financial and time constraints in employee training, which has limited their ability to provide ongoing learning and development opportunities. Due to limited resources, SMEs experience challenges funding training programmes and allowing employees to take time off for training.

By addressing the unique challenges SMEs face, Malaysia can ensure that all businesses have equal opportunities to provide continuous learning and development for employees, contributing to the overall growth of the country's economy and workforce.

Digitalisation Drives Training Activities in the Manufacturing and Services Industries

Based on findings of the NTI, digitalisation drives training activities in the Manufacturing and Services industries, although less in other industries, such as Agriculture, Mining & Quarrying and Construction. As technology and business practices are constantly evolving, organisations in Manufacturing and Services industries need to enhance employees' skills and knowledge to remain competitive. Through training participation, organisations can ensure employees have the latest skills and knowledge necessary to adapt to changes and support organisational growth.

Agriculture, Mining & Quarrying, and Construction industries must fully utilise technology-assisted

training methods to increase efficiency and accessibility. Therefore, it is essential to promote the adoption of technological advancements across all sectors.

NTI, The New Measurement for Lifelong Learning in Malaysia

Investing in training and development is critical to sustaining business growth and success (University of Ottawa, 2021). Establishing the NTI will help propel a culture of training and development to achieve a high standard of human capital development and quality talent in Malaysia.

The development of the index measures the average change to forecast events and provides a vital overview for policymakers to develop appropriate policies in the future. The underlying methodology of the NTI depicts the overarching characteristics and status of training and development at the national and sectoral levels, which significantly impacts policymaking.

In addition, the NTI sheds light on training activities in various subsectors. As industries shift and expand overnight, so do job descriptions and roles. According to the Corporate Finance Institute, learning new things reinforces fundamental soft skills, such as goal setting, self-discipline, creativity, critical thinking, time management, problem-solving and adaptability. Professionals prioritise lifelong learning to remain relevant with in-demand skills and better job opportunities. In this regard, the rise of digital learning has made it possible to upskill and reskill, regardless of stage in life or where one lives.



Download the full report at <https://hrdcorp.gov.my/reports/>



Building a brighter future through human capital development insights



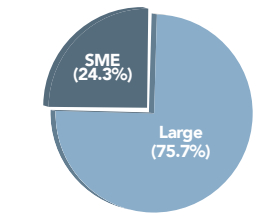


HRD Corp Registered Employers by Economic Sectors

Agriculture, Forestry and Fishing and Construction are newly covered sectors under the expansion of the PSMB Act 2001, effective 1 March 2021..

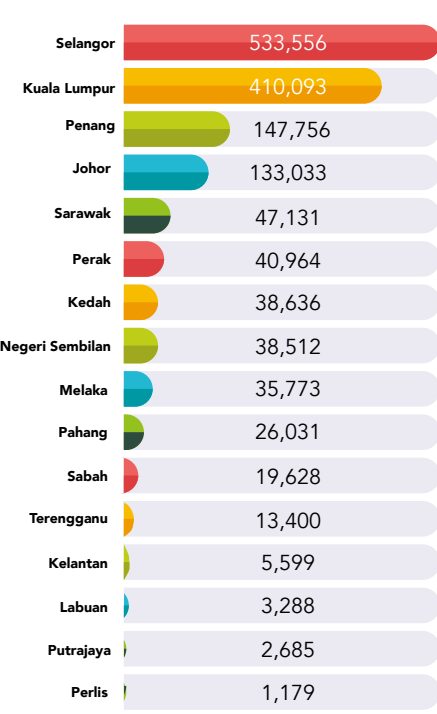


Training Participation in the Year 2022



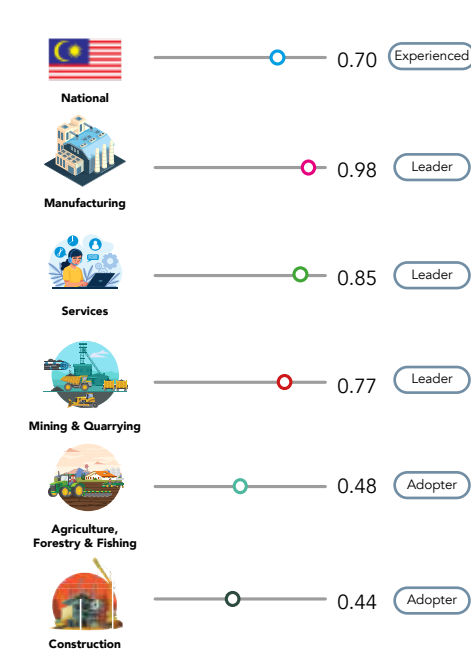
Statistics of Training Places by States

Selangor recorded the highest number of training participation in the year 2022.



Overall Index Overview

National Training Index for the year 2022 has proven that the country has an established training system and a strong focus on lifelong learning and skills development with a score of 0.70.



As technology and business practices are constantly evolving, it is crucial for organisations in Manufacturing and Services industries to regularly update their employees' skills and knowledge to remain competitive.

The adoption of digital training has been embraced within Malaysia's Manufacturing and Services sectors. In contrast, the Mining & Quarrying, Agriculture and Construction sectors rely primarily on traditional training



Executive Summary

The National Training Index (NTI) is an annual assessment comprising a comprehensive analysis of lifelong learning conditions and performances across five (5) primary economic sectors in Malaysia.

The Index provides valuable insights for the Government, investors, and industries to gain an in-depth understanding of the current situation and make informed decisions about workforce competency development strategies.

The NTI covers a wide range of training activities and considers various perspectives for a comprehensive analysis of the state of lifelong learning in Malaysia. In this regard, the NTI examines the readiness of employers to invest in employee training and development, the skills development of workers, and the effectiveness of training providers. The data presented in this report were generated from the exhaustive HRD Corp internal database.

Based on the analysis of index performance for the year 2022, Malaysia indicated an established training system and a strong focus on lifelong learning and skills development with a score of 0.70, which indicates Malaysia is at "Experienced" level. The index also reflects Malaysia's culture of learning and skills development, with many organisations or industries leveraging opportunities to upskill and enhance the competencies of their employees.

The results showed that the factors hindering these sectors from adopting digital training are a lack of investment in technology and training resources. The report also addresses challenges in conducting training activities faced by Small and Medium-sized Enterprises (SMEs) and HRD Corp newly registered employers.

Significant challenges include limited financial resources, lack of access to training programmes and limited awareness of available resources.

Therefore, the Government's support is crucial to address these challenges and provide SMEs and newly registered employers with resources and opportunities to invest in employee training and development.

A well-trained and skilled workforce is critical to a competitive and productive economy. To that extent, tracking workforce performance and addressing challenges are essential for the growth and development of Malaysia's economy. Regular tracking of workforce performance enables industries to identify areas of improvement.

Accordingly, collaboration between the Government, industries, and organisations creates a more supportive environment for employee training and development. It can help ensure that the workforce has the skills and knowledge needed to succeed in a rapidly changing global economy.

The NTI Measurement Methodology

The NTI is a geometric means of normalised indices for three (3) key dimensions: Firm Preparedness, Worker Skills Development and Training Provider Effectiveness at four (4) levels, namely, national, main economic sectors, subsectors and individual employers.

Key Dimension	Description
Firm Preparedness / Readiness / Commitment	Seven (7) indicators were identified to assess firm preparedness, which measures employers' readiness or availability towards workers' upskilling and reskilling in terms of allocation, the number of workers participating in training, recognition after training, and facility or training support for learning.
Worker Skills Development	Four (4) indicators were identified to assess the skills development dimension, which measures workers' competencies and skills, e.g., the level of certification, duration of the training, types of training skills and the skills transferable to the workplace.
Training Provider Effectiveness	Eight (8) indicators were identified to assess training providers' effectiveness, which measures training providers' quality and availability to support the learning ecosystem from the perspectives of course content, digital training platform, issuance of certification, trainers' competency and training facilities.

The evaluation of the NTI scale of 0 to 1 were ranked into four (4) categories, namely: i) Leader, ii) Experienced, iii) Adopter and iv) Beginner.

Index Score	Category	Description
0.76 – 1.00	Leader	Vigorously active in training and highly prepared for training, high strength in talent development and equipped with a comprehensive training plan and high investment in training.
0.51 – 0.75	Experienced	Active in training and moderately prepared for training by having a better environment and capacity for training, moderate talent development, and practical training plan with sufficient funding.
0.26 – 0.50	Adopter	Moderately active in training with moderate training preparation, talent development and quality of training. Possess adequate training plans and materials with moderate training allocation.
0.00 – 0.25	Beginner	Low participation or commitment in training preparation or talent development or low quality of training. Lack of training allocation and basic training plans and materials.

The NTI Score 2022

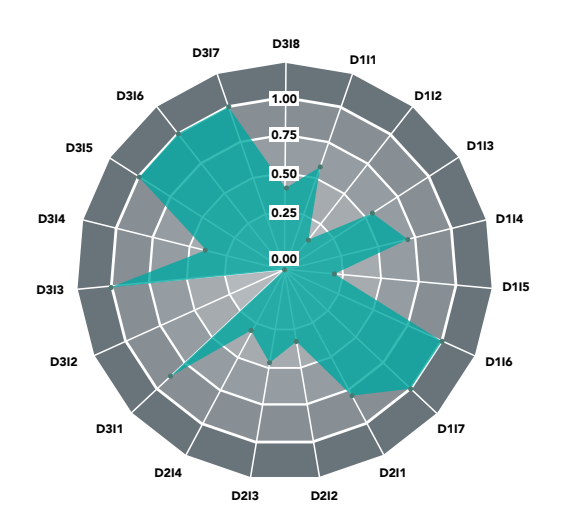
The index provides a strategic benchmarking tool for organisations and Governments to develop human capital policy.

Cross-organisation comparison in training performance informs policymakers, help shape human capital development strategies and monitors public and private sector organisations' training performance over time and across industries.

At the national level, Malaysia is categorised as 'Experienced' with an index score of 0.70 in 2022. The index score indicates that employers in Malaysia have a high capacity for performance in terms of training preparedness, competencies of training providers, commitment to upskilling and reskilling and high adaptation to digital learning.

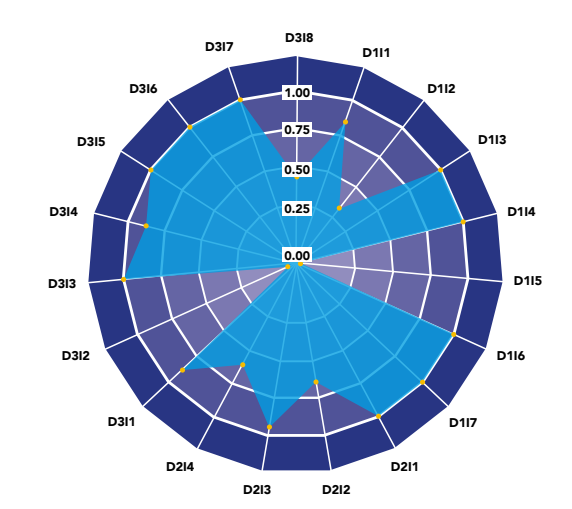
Training can improve job performance, increase efficiency and output by providing employees with the necessary skills and knowledge to perform their jobs more effectively. Ultimately, a productive and competitive workforce benefits the organisation and the economy as a whole.

Index Score: 0.70 (Experienced)



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Index Score: 0.98 (Leader)



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Positive Impact of Lifelong Learning on Labour Productivity in Malaysia

A positive trend in the employee training ratio indicate that employers are becoming more aware of the importance of investing in their workforce and are dedicating more resources towards employee development.

Adaptability to Digital Learning Culture

In Malaysia, the training trends across various industries have been shifting towards more technology-driven and personalized approaches. This includes the use of digital learning platforms, virtual classrooms and e-learning solutions.

Readiness for Training and Development in Malaysia

A total of RM20 million financial assistance was granted in 2022 to equip the employers with training-related equipment indicating a strong emphasis on investing in employee training and development.

Skilled Workers and Professional Certification Courses

The data in 2022 indicates that there is a low number of skilled workers attending certification courses despite HRD Corp's efforts to promote and encourage training in these areas.

Underutilisation of HRD Corp Levy by Newly Registered Employers

Low utilisation of the HRD Corp levy indicates room for improvement in managing the training and development culture in organisations and the implementation and effectiveness of HRD Corp training programmes.

Bridging Skill Gaps in the Manufacturing Sector through Certified Workers

Innovative ways to increase production and productivity are essential by enhancing current skills and ensuring the workforce is equipped with in-demand skills to tap into foreign investments in local businesses.

Leveraging Technology with the Rise of Advanced Manufacturing

Due to rapid advancements in digitalisation and digital services, HRD Corp has taken the lead to urge the training providers to offer modular courses in these emerging and critical areas through the 9 focus area.

Practical or Hands-On Training Participation in Recognising Workforce Skills

Manufacturing heavily involves practical work in which employers must restructure their training programmes to provide more hands-on training and technical skills to equip workers with the necessary skills and experience.

Low HRD Corp Levy Utilisation due to COVID-19 Pandemic Levy Payment Exemption

The average levy utilisation among registered employers was relatively low, indicating that employers need to fully optimise the levy for training.

Industry-certified Trainers in Workforce Empowerment

One of the critical factors in ensuring a successful lifelong learning plan is the selection of industry-certified trainers. Certified trainers will help employers, especially SMEs, to upskill employees for a more skilled workforce, higher productivity and profitability.

Services

The Services sector accounts for a significant proportion of total employment in Malaysia. It is reasonable to expect this sector to invest heavily in employee training and development.

The exact level of investment in training and development by the Services sector may vary by industry and company. Generally, industries with high employment levels strongly emphasise workforce development to improve productivity, quality and customer service.

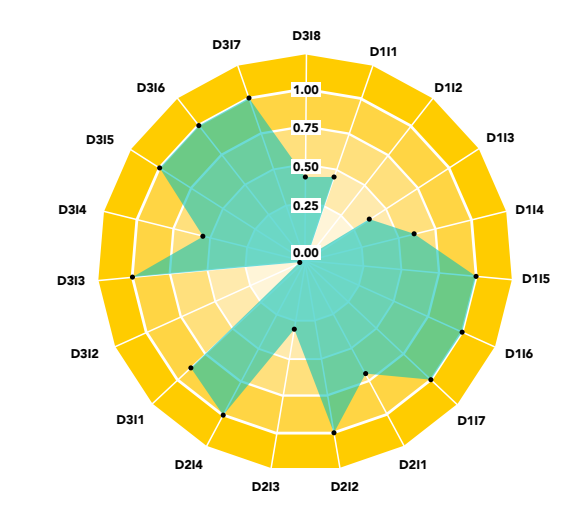
It is essential to note that the traditional view of Services as a labour-intensive industry is changing. The Services sector is becoming increasingly technology-intensive, with ICT

for producing and delivering services, such as finance, transport and telecommunications. The shift towards being technology-driven has transformed the Services sector into a highly capital and technology-intensive industry.

The top five (5) active Services subsectors with the highest training index score are as follows:

- 1) Radio Broadcasting (0.70);
- 2) Monetary Intermediation (0.64);
- 3) Hospital Activities (0.63);
- 4) Wired Telecommunications Activities (0.54); and
- 5) Water Collection, Treatment and Supply (0.54).

Index Score: 0.85 (Leader)



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Embracing Digitalisation and Advanced Technology

The sector is increasingly embracing digitalisation and advanced technology to enhance business operations and provide better services to customers.

Strengthens Lifelong Learning Through Enrolment in Technical Programmes

New training methods, including computer simulation and VR, allow employees to train on equipment without injuring themselves, disrupting production or causing damage to machinery or equipment.

Limited Training Supply Creates Barrier for Industry to Access Skills Development Programmes

Some initiatives include a needs assessment, engaging with industry associations and experts and collaborating with employers to identify specific skills gaps within the workforce.

Imbalance in Training Participation Among Services Subsectors

Few employers view training as a strategic tool. Smaller firms may be unaware of the different types of training available. The lack of information makes determining what type of training suits employees' needs challenging.

Unequal Training Opportunities Among the Subsectors

Data indicates that the sector has a low levy utilisation rate compared to other sectors. Therefore, employers in the Services sector underutilise HRD Corp levy funds.