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**UPSKILL AND RESKILL
STRUGGLING WORKERS DURING COVID-19:
HOW HRDF CAN HELP**

HRDF INDUSTRY INTELLIGENCE REPORT



**HUMAN RESOURCES DEVELOPMENT FUND
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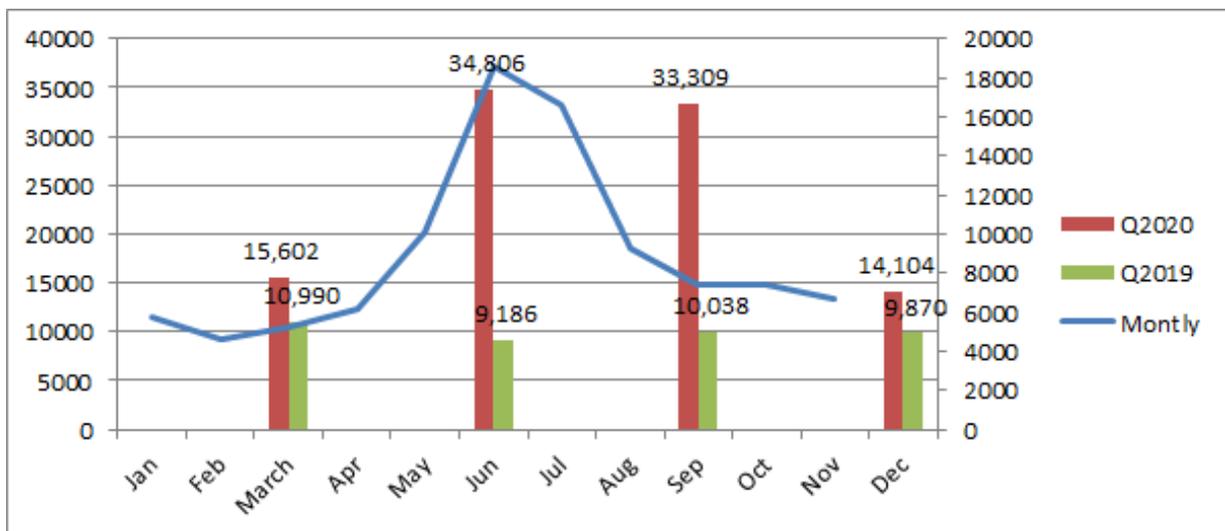
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Despite employers' efforts to retain workers, many employees still found themselves jobless and struggling to make ends meet

Almost a year into the COVID-19 crisis, employees are still crying out for more support. Employees from different levels including managerial positions, professionals and low skilled workers are having difficulties to remain employed while facing challenges with family commitments due to movement control measures. Thus, this report will determine who are most affected and how HRDF can help them.

Everyone is struggling, but some more than others

Loss of Employment (LOE) Trend



Source: SOCSO's Employment Insurance System (EIS) data as of November 2020

According to the SOCSO's Employment Insurance System (EIS) data, job loss has increased by 144% year-on-year as of November 2020. Due to the COVID-19 pandemic, the demand of goods, especially less essential items and services are badly affected and has led to many businesses especially Small Medium Enterprises (SMEs) to suffer. In addition, they are unable to operate as usual due to the implementation of the Movement Control Order (MCO).

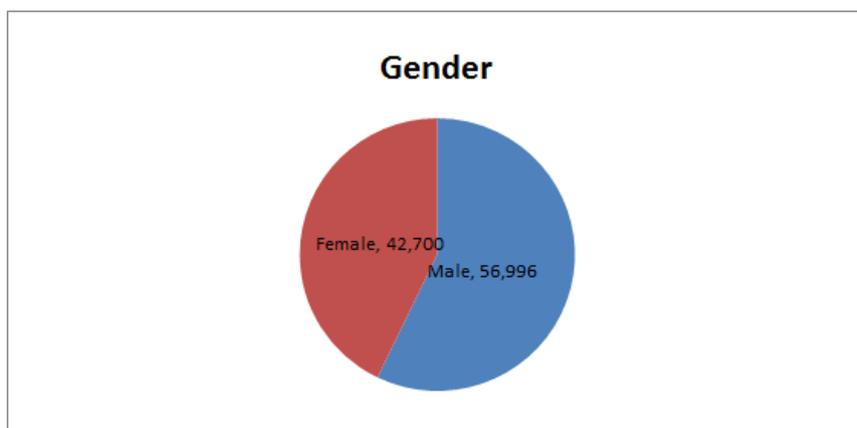
From the number of employees affected, those in the Manufacturing sector are facing more challenges compared to other industries in Malaysia, with them alone constituting 22% (22,203 cases) of all the loss of employment cases. This was followed by the Accommodation & Food & Beverages and Wholesale & Retail industries in second and third places with 13,777 (14%) and 13,722 (14%) cases respectively. These are the sectors that accounted for the majority of employment loss .



Source: SOCSO's Employment Insurance System (EIS) data as of November 2020

On average, across the MASCO position, the skilled workers category that comprises of Professional, Technician and Associate Professional and the Manager positions represent the highest occupations to be retrenched at 59%, followed by the semi-skilled workers category by 34% and the low-skilled workers at 7%. This trend is surprising because it works against the narrative of attainment of skills potentially increasing employability. This phenomenon could imply that the market needed basic essential goods and services rather than value added ones at critical moments in time.

In terms of gender composition, male workers (57%) are more likely to be retrenched than their female counterparts (43%). This situation happens because there are more men than women in our current workforce. Nonetheless, females are affected more significantly in this pandemic if we look at the labour force participation rate (males are on average at 80% while females are at 55%).



Source: SOCSO's Employment Insurance System (EIS) data as of November 2020

Based on the above statistics, there are 97,821 workers in Malaysia who have lost their jobs since November. Even those in the skilled workers category, the group most affected, they have opportunities to go on to better things after being retrenched. The only key is to remain "relevant in the industry". This is where HRDF came into the picture.

Nonetheless, the COVID-19 has caused radical changes in business practices as close physical contact and gathering are not encouraged to keep the pandemic under control, this includes working from home. Therefore, it is crucial to identify the basic skills needed by the industry.

Basic Skills Needed in Times of Pandemic

As organisations undergo digital transformation in light of the pandemic, they are required to restructure the organisation's working process to accommodate the new norm yet ensuring workers' productivity remains optimal. The transition will unsettle employees who are stuck doing things the traditional way. It is imperative that employees equip themselves with the basic skills to mitigate retrenchment risks brought by COVID-19 and prove their worth in their respective organisations.

1 Computer Basics & IT

Learning how to go online, navigate websites, e-mail and storing/sharing data at the very least is necessary for remote working/learning. Social Media, Digital Marketing and Web Development skills are in high demand. Training is needed for older and vulnerable employees to use such tools for business sustenance.

3 Adaptability & Resilience

Respond to changes in customer demands, economic and market landscapes. Thinking differently about problems so that there are always opportunities over obstacles, achieve a "growth mindset". (Forbes, 2020)

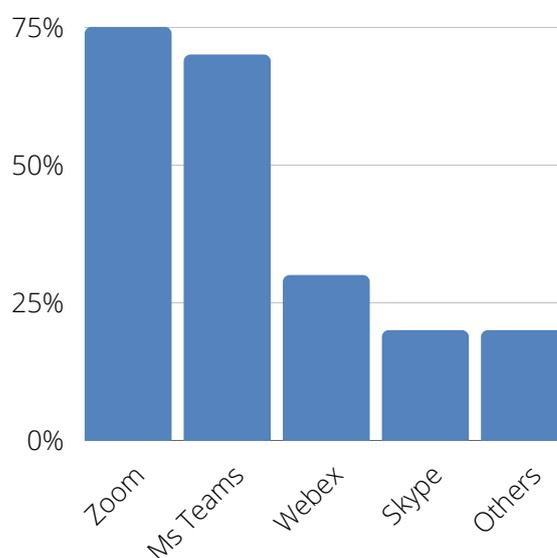
4 Time & Stress Management

This would assist employees who are working remotely to manage time and stress effectively, including avoiding distractions from the surroundings and staying organised.

2 Effective Virtual Communication

- Communication etiquette is necessary because as individuals strive to maintain basic etiquette when communicating virtually (e.g. shouting on calls, using all caps in e-mails and instant messaging).
- The application of virtual connect platform requires training because unfamiliarity of the platform setting might disrupt the flow of the meeting and discussion.

Most Preferred Virtual Communication Platform



Source: Deloitte (2020)

PENJANA - What's in it for the Retrenched, Unemployed & Current Workforce?

The Economic Recovery Plan, or more commonly known as PENJANA, announced by the Malaysian Government, contains 40 initiatives worth RM35 billion, focusing on 3 key thrusts - Empower People, Propel Businesses and Stimulate the Economy.

When it comes to empowering our people, the Government's measure under PENJANA aims to save jobs and promote employment. Apart from hiring incentives and expanding wage subsidy, reskilling and training are equally as crucial to ensuring workers maintain or upgrade their skills for when the economy recovers. To that end, RM2 billion fund has been dedicated to reskilling and upskilling programmes for youth and unemployed workers. This is being implemented through collaborations with various ministries and agencies, including HRDF.

As unemployment numbers keep increasing, the needs to resolve the glaring gap between retrenched people, talents graduating and the current workforce take centre stage. HRDF is responsive to the gap, by offering five (5) initiatives: Place & Train, B40 Development, Small and Medium-sized Enterprises (SME) Development, Gerak Insan Gemilang (GIG) and Upskilling & Reskilling. Among the target group of these initiatives are jobless graduates with diploma or degrees, current workforce, SME owners and workers, and Malaysians from the B40 group and youth.

Apart from skills enhancement, other benefits that can be gained through these initiatives are meant to stimulate job creation among employers and increase the number of job openings for jobseekers to enhance their employability.

	PROGRAMME DESCRIPTION	DURATION / TYPE OF COURSES	BENEFITS
 PLACE & TRAIN EMPLOY. TRAIN. RETAIN	This initiative source and provide employment for workers by participating in value-added relevant training courses required by the selected industries.	<ul style="list-style-type: none"> Functional / General Courses (with self-development modules) – up to 1 month Placement Job Training – up to 6 months 	<ul style="list-style-type: none"> Subsidised training Job placement
 B40 DEVELOPMENT ENGAGE. PRODUCE. GROW	It equips the vulnerable and employees from the B40 category with specific skills and gain entrepreneurship skills.	<ul style="list-style-type: none"> Self-Employment / Entrepreneurship course – up to 3 months Various methodologies based on collaboration 	<ul style="list-style-type: none"> Subsidised training Business Coaching & Matching Income- self-employment
 GERAK INSAN GEMILANG (GIG) PURSUE. ACHIEVE. PROGRESS	It provides end-to-end training for upskilling to increase income from various means by becoming freelancers.	Competency professional certification – up to 3 months	<ul style="list-style-type: none"> Subsidised training GIG Coaching Income- freelancing
 SME DEVELOPMENT EMBRACING CHANGE. SUSTAINING GROWTH	It provides functional and operational training courses to support Small and Medium Enterprises	<ul style="list-style-type: none"> Certification / General in nature – up to 3 months Various methodologies based on collaboration 	<ul style="list-style-type: none"> Skill enhancement Higher productivity
 UPSKILLING & RESKILLING FUTURE - PROOF YOUR CAREER	It assists employers train their workers in Digitalisation and IR4 related courses.	<ul style="list-style-type: none"> Competency / Professional certification based on IR 4.0 pillars (Digitalisation) up to 3 months Training modules identification by Industry Expert (collaboration with related agencies) 	

Source: PENJANA information on HRDF Website

PENJANA HRDF - Upskilling Has Increased the Employability of Malaysians

As Malaysia steps into the new normal of digitalisation, HRDF through PENJANA has planned to push companies to start revamping their business approach where necessary. This is where the **Upskilling and Reskilling** initiative in the Industrial Revolution 4.0 (IReV 4.0) Scheme comes into play. The aim of this initiative is to provide opportunities for in-service employees to improve their skills and knowledge through certification and non-certification programmes particularly in high-technology and knowledge-based market. Courses under this initiative will be focusing on nine (9) pillars under the Industry Revolution 4.0.

While SMEs are the majority of companies registered with HRDF, accounting to 87% of all employers, there is a specific initiative to help this group to recover from the COVID-19 crisis which is known as the **SME Development** initiative. This initiative intends to assist SMEs in gaining a competitive edge within the current unstable market by enhancing their employees' career development. It is believed that by sharpening employees' skills levels, it will help them to adapt quickly with the changing job market. As of November 2020, there are 18,500 employees who are currently in the upskilling and reskilling programmes under IReV 4.0 scheme and SME Development initiative.

111,500 Malaysians are to benefit from PENJANA HRDF Initiative	
STATISTICS OF APPROVALS TO DATE	
Outcome	Total
Job	41,000 jobs approved <ul style="list-style-type: none"> 16,000 Malaysians placed 25,000 balance to be placed by end of 2020 780 employers involved in offering 41,000 jobs Scheme: <ul style="list-style-type: none"> Place & Train
Self-employed	52,000 Malaysians are undergoing training to be self-employed Scheme: <ul style="list-style-type: none"> B40 Development Gerak Insan Gemilang (GIG)
Upskilling and reskilling for in service workers	18,500 Malaysians are undergoing training for upskilling and reskilling Scheme: <ul style="list-style-type: none"> Industry Revolution 4.0 SME Development

Source: PENJANA HRDF data as of November 2020

The **Place & Train** initiative was introduced to train unemployed graduates, school leavers and retrenched workers with specific skills, based on the jobs offered and relevant requirements determined by hiring employers. This initiative has to date helped 16,000 Malaysians secure jobs while a balance of 25,000 Malaysians will be placed by the end of 2020 through collaboration with 780 of employers, since its launch in June 2020. Out of 16,000 employments, 67% of them were categorised as high skilled workers, followed by semi-skilled workers (21%) and low-skilled workers (12%). As SOCSO data reported that employment in the manufacturing sector has affected most with the pandemic, 97% of PENJANA HRDF employments were located in Services sector.

Among the people that were also affected the most during the pandemic are those in the B40 income group. Thus, HRDF's **B40 Development** initiative aims to enable individuals to venture into their own business start-ups and become an entrepreneur. The programme intends to equip these individuals with the required entrepreneurial skills and knowledge via end-to-end training sessions whilst generating revenue in various industries. Apart from being self employed, HRDF also has introduced an initiative to respond to the rise of the freelance economy through **Gerak Insan Gemilang (GIG)**. The GIG initiative is aimed at facilitating Malaysians, especially youths, with specific skills and knowledge, enabling them to become freelancers and generate income by venturing into GIG platforms. Through these two (2) programmes, there are 52,000 Malaysians undergoing training to be self employed.

Conclusion

While we rightly think of vulnerable employees still struggling with their job security, there are 97,821 workers who had lost their jobs during the COVID-19 crisis. Economies are suffering and millions are being put out of work. The key to increasing employability is to be "industry relevant". Employers need a skilled workforce to meet new demands of industries after COVID-19 forcibly changing the working landscape.

HRDF has come to the aid of retrenched workers and youths in Malaysia by upgrading and increasing their employability through digital and in-demand skills by the industry. There are 111, 500 Malaysians who have benefited through the five PENJANA initiatives developed by HRDF. Based on the statistics, the PENJANA initiatives offered by HRDF not only increase the employability of retrenched workers and youths but also help employers to obtain trained local workers in skilled positions.