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EMPLOYER'S CIRCULAR NO. 2/2016

THE IMPLEMENTATION OF STRATEGIC INITIATIVES BY PEMBANGUNAN SUMBER MANUSIA BERHAD (PSMB) UTILISING THE 30 PER CENT CONSOLIDATED HUMAN RESOURCES DEVELOPMENT FUND

1.0 PURPOSE

- 1.1 The purpose of this circular is to inform PSMB Registered Employers on the implementation of several strategic initiatives by PSMB, utilising the 30 per cent consolidated Human Resources Development Fund (HRDF).

2.0 BACKGROUND

- 2.1 The Honourable Prime Minister of Malaysia, in his 2016 Budget speech, has mandated PSMB to allocate 30 per cent of its Human Resources Development Fund as a consolidated fund to implement several strategic initiatives with the aim of empowering the quality and employability of the Malaysian human capital through re-skilling and up-skilling programmes.
- 2.2 The main purpose of the 30 per cent consolidated fund (effective 1 April 2016) is to support the national agenda of 35 per cent skilled Malaysian workforce by the year 2020 and to enhance the knowledge and skills of current and future employees of PSMB registered employers, hence improving the productivity level of

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these companies. This initiative would also encourage employers to train their employees especially through certification courses that are recognised by professional bodies or industry based courses which would then lead to the increase in the percentage of skilled Malaysians.

- 2.3 In ensuring the effectiveness of these strategic initiatives, PSMB will collaborate with employers and relevant employers' associations in identifying training courses that are pertinent and suit their current and future business needs.
- 2.4 There are five (5) key strategic initiatives that have been identified to be implemented by PSMB using the 30 per cent consolidated fund. Notwithstanding the above, the strategic initiatives to be implemented using the consolidated fund are employer-centric and are NOT limited to the ones mentioned below:

3.0 STRATEGIC INITIATIVES

- 3.1 The five (5) strategic initiatives for implementation by PSMB are:

- 3.1.1 Training of Retrenched Workers under the 1Malaysia Outplacement Centre (1MOC)**

- 3.1.1.1 This programme is aimed at up-skilling and/or re-skilling employees (of PSMB registered employers) who have been retrenched, with the required competencies and to assist them in securing employment within the same or different industries; thus helping them get back into the workforce soonest.

- 3.1.1.2 The 1MOC also provides professional counselling to help mitigate the trauma of retrenchment; to define preferred career goals; and job matching to secure new employment to retrenched workers. The detailed services offered under this initiative can be accessed via a dedicated portal: www.1moutplacement.com

- 3.1.1.4 The guidelines for the 1MOC are available on 1MOC portal: www.1moutplacement.com and PSMB's official website: www.hrdf.com.my

3.1.2 Train and Replace (T&R) Programme

- 3.1.2.1 This programme is targeted at Malaysia's future workforce by equipping them with relevant skills and competencies thereby enhancing their employability against the backdrop of a changing globalised business landscape in Malaysia.
- 3.1.2.2 The objective of the T&R Programme is to equip local talent with relevant proficiencies which will enable them to replace the skilled and semi-skilled foreigners and expatriates who are hired by PSMB registered employers. In the long term, the T&R programme is expected to reduce the country's dependency on expatriates while enhancing the competitiveness of employers and the level of productivity of local employees.
- 3.1.2.3 PSMB registered employers who are intending to reduce their dependency on foreign expertise are required to submit their respective proposals for financial assistance to train the local workforce with relevant skills and competencies.
- 3.1.2.4 The guidelines for the T&R Programme are available on PSMB's official website: www.hrdf.com.my

3.1.3 Small and Medium Enterprises (SMEs) Up-skilling & Re-Skilling Programmes

- 3.1.3.1 In the light of the importance of SMEs to the national economy and in accordance with the mandate given by the National SME Development Council to PSMB to be the coordinating body to synchronise and oversee training and human capital development of SMEs across all economic sectors, PSMB continues to undertake several initiatives to assist SMEs in retraining and skills upgrading with a focus on developing a productive and competent workforce.

3.1.3.2 This initiative is to align the development of the SMEs with the national aspirations of achieving a high-income economy and a developed nation status by the Year 2020 through innovation-led and productivity driven growth. The impact of such initiatives is evident in the overall increase in the levy utilisation rate by SMEs from 34 per cent in 1999 to 80 per cent in 2016.

3.1.3.3 Through this programme, PSMB will collaborate with Industry Associations to come up with programmes for SMEs with insufficient HRDF levy balance to obtain the necessary financial assistance to develop their human resources capability and capacity by acquiring the latest knowledge, expertise and technology especially for high - end technical courses.

3.1.4 Future Workers' Training Programme

3.1.4.1 The implementation of this programme is driven by one of the initiatives by the Malaysian Government with the objectives of equipping, developing and assisting unemployed graduates with high - end skills and competencies that are required by the industries thus enhancing their future employability.

3.1.4.2 The programme is open to Malaysian graduates who have successfully acquired their Diplomas, Degrees or equivalent.

3.1.4.3 Courses offered under this programme are high-end or application-based skills as required by the industries to fulfil the needs of skilled manpower especially at the Malaysia Economic Corridors (Northern Corridor Economic Region (NCER), SCORE, SEDIA, East Coast Economic Region (ECER) and Iskandar Regional Development Authority (IRDA).

3.1.4.4 PSMB registered employers that are able to offer high-value jobs to unemployed graduates may submit the proposal to request for financial assistance under this programme to PSMB, either directly or through the relevant employer associations.

3.1.4.5 The guidelines for the Future Workers' Training Programme are available on PSMB's official website: www.hrdf.com.my

3.1.5 Certification/Value Added Programmes Identified by Sectorial Training Committees (STCs)/ Special Fund for Industrial Association Programme

3.1.5.1 To remain relevant and to enhance its role in efficiently managing the HRDF levy, PSMB has established 20 Sectorial Training Committees (STCs) with the objective of identifying training needs that correspond with the advancement of technology, systems and processes in the sub-sectors that are covered by the PSMB Act 2001.

3.1.5.2 PSMB registered employers are currently utilising this platform to propose and provide industrial inputs in the form of up-to-date knowledge and expertise to assist the industries to identify skills gaps including specific courses required.

4.0 EFFECTIVE DATE

The implementation of the above mentioned strategic initiatives by Pembangunan Sumber Manusia Berhad (PSMB) utilising the 30 per cent consolidated human resources development fund will be effective 19 May 2016.

5.0 CONCLUSION

- 5.1 It is hoped that through the implementation of the 30 per cent consolidated fund, more strategic initiatives (not limited to those mentioned above) can be implemented to support the said national agenda and PSMB's concerted efforts in supporting it.
- 5.2 Kindly contact our Call Centre at 1-800-88-4800 should you require further clarification or assistance regarding this Circular.

Thank you.

"PEOPLE, PROWESS, PROGRESS"
'PEKERJA BERKEMAHIRAN PENGGERAK EKONOMI'

Yours sincerely,



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MALAYSIA