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**BACKGROUND PAPER FOR MALAYSIA:
SKILLS DEVELOPMENT IN THE WORKPLACE
IN MALAYSIA**

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BACKGROUND PAPER FOR MALAYSIA: SKILLS DEVELOPMENT IN THE WORKPLACE – CHALLENGES AND INITIATIVES.

1. AN OVERVIEW OF SKILLS DEVELOPMENT AND TRAINING (SDT) IN MALAYSIA

1.1 Background of Skills Development in Malaysia¹

Skills development and training (SDT) in Malaysia could be traced back to the late 1890s when trade schools were being considered to prepare local youths to work as mechanics and fitters on the national railways. In 1906, a technical school was established to train technical assistants for the Railways and Public Works Department (Maznah, 2001). In 1919, the government set up a committee to review the needs for technical and industrial education, and it put forward measures which included establishing an agricultural school and providing training facilities for the Forest Department (Loh, 1975). In 1926, a Federal Trade School was established in Kuala Lumpur to provide full-time three-year courses to train mechanics, fitters, machine workers and other technicians (Ahmad, 2003; Loh, 1975). The Education Department took over the school in 1931 to serve the needs of public departments as well as business enterprises such as mines, estates and private firms. Later, three other trade schools were built in Penang, Ipoh and Singapore (part of Malaya at that time) to prepare apprentices as artisans in trades such as mechanics, plumbers, fitters, electricians and blacksmiths. These developments marked the expansion of institutionalised vocational training in Malaya which was geared to meet the needs of the country's industry.

In 1955, two years before Malaya gained her independence, the government set up an Education Committee to review the existing education system and to formulate a new system for post-independence Malaya (Pang, 2005). The committee published the Razak report in 1956 which promoted the policy of establishing a vocational stream alongside the general secondary school system (Wong & Ee, 1975). In 1960, the Rahman Talib Report led to the segregation of the secondary school system into academic and vocational streams (MOE, 2007). Junior technical (trade) schools were converted to secondary trade schools which were later converted to secondary vocational schools in 1968. In 1979, another high-powered committee headed by the Deputy Prime Minister at that time, Dr. Mahathir Mohamed, led to the Cabinet Report of 1979 which reaffirmed that the country's upper secondary education should comprise of both academic and vocational streams.

Based on a review of historical developments, Ahmad (2003) observed that the Malaysian technical and vocational education and training system (TEVT) had progressively developed into three different streams, namely higher education; technical and vocational education; and skills training (Table 1).

¹ For a detailed account of the historical development, refer Pang, C.L. (2008, pp.165-176)

Table 1: Main Streams of the Education and Training System in Malaysia.

Stream or Pathway	Institutions	Workforce Preparation
1. <i>Higher education</i>	Universities and other institutions of higher learning, both public and private	Professional and managerial personnel such as engineers, architects, and surveyors.
2. <i>Technical and vocational education</i>	Polytechnics, technical colleges and (more recently) community colleges	Supervisory personnel such as technical assistants and supervisors.
3. <i>Vocational skills training</i>	Skills training institutions, public and private	Skilled and semi-skilled workers.

Source: Paraphrased and tabulated from Ahmad (2003, p.6)

A similar description of the Malaysian education and training system was made by Rashid & Nasir (2003), who highlighted the following:-

- (a) *Tertiary or higher education* in universities and other higher educational institutions;
- (b) *Technical and vocational education* undertaken largely in the formal school system under the Ministry of Education; and
- (c) *Post-secondary TEVT, including skills training*, undertaken through the skills stream of the secondary vocational schools but predominantly by public and private skills training institutions.

Several other studies highlighted that *skills training based on National Occupational Skills Standards (NOSS)* had increasingly become a significant component of the national system. The 'Basic Study on Designing a Dual Training Scheme in Malaysia' undertaken from 1997 to 1999 by a large team of German consultants, described the Malaysian system, excluding tertiary and higher education, in terms of three subsystems (Blumenstein, et al, 1999):

1st subsystem: Technical education and vocational training undertaken in schools at the upper secondary level under the Ministry of Education (MOE). It was completely integrated into the general education system, leading to the Malaysian Certificate of Education as the leaving qualification.

2nd subsystem: Technical and vocational training that did not come under the MOE but were administered by other Federal Ministries such as the Ministry of Human Resources, Ministry of Youth and Sports, and Ministry of Entrepreneurial Development as well as private training institutions.

3rd subsystem: The standardisation and certification of occupational skills based on the *National Occupational Skill Standards and Certification System*. It started with a three-level skill certification system (basic, intermediate and advanced) but in 1992, a new 5-level skills qualification framework was introduced, followed by the adoption of an accreditation approach in 1993. The accreditation of training centres and their training courses was conducted by the National Vocational Training Council.

Another study known as the 'Strategic Review of Technical Education and Skills Training in Malaysia' was undertaken by Australian consultants as part of an Asian Development Bank technical assistance project (DEETYA, 1998, p.1). The study

confirmed that vocational education under the purview of the MOE was one major component of the country's TVET system whilst training conducted by the other ministries and agencies based on NOSS formed the other major component.

A more recent study undertaken on behalf of the World Bank by Pillay (2005) categorised Malaysia's TVET system into five main pillars, which are outlined below:

1st pillar: *Public higher education* system which caters mainly to SPM school-leavers, that is those who do not take up pre-university studies; excludes universities and university colleges, but includes polytechnics and community colleges under the Ministry of Higher Education, technical schools under the Ministry of Education as well as training institutions under the Ministry of Human Resources, Ministry of Entrepreneurial Development and Ministry of Youth & Sports.

2nd pillar: *Malaysian Skills Qualifications Framework*, a five-tiered skills certification system based on the NOSS which was introduced by the National Vocational Training Council in 1993.

3rd pillar: *Company-based training*, which comes under the Human Resource Development Fund established in 1993 to promote the training of employees.

4th pillar: *Private higher education*, largely under the purview of the Private Higher Education Institutions Act 1996, and accredited by the National Accreditation Board.

5th pillar: *Continuing education and training* which caters to the demands of employers, community or society at large for further education, skills upgrading, retraining, career advancement and enrichment.

1.2 Policy Framework for SDT

Malaysia's national development policies and plans have repeatedly emphasized the criticality of human resource development in supporting the country's growth. This is clearly embodied in the *Malaysia: The Way Forward* statement in 1991 which challenges the country to achieve developed nation status by 2020 (Mahathir, 1991):

The most important resource of any nation must be the talents, skills, creativity and will of its people... Our people are our ultimate resource.

The *Third Outline Perspective Plan (OPP3), 2001-2010*, emphasizes the need for a fundamental realignment in the policies and strategies of human resource development in order to support the country's shift towards a knowledge-based economy (Malaysia, 2001a). Under the OPP3, the education and training priorities include: (a) introducing a new dual training approach; and (b) promoting lifelong learning.

In the current national five-year development plan, the *Ninth Malaysia Plan (9MP), 2006-2010*, the Malaysian Government presents the National Mission that outlines the country's priorities for the next 15 years. One of the five key policy thrusts of the National Mission is "to raise the capacity for knowledge and innovation and nurture first class mentality" (Malaysia, 2006a, p.30). Under this thrust, towards expanding the accessibility and quality of the country's education and training system, the 9MP propounds that:

Training programmes will be redesigned in line with changing industry requirements. The National Dual Training System will be improved through closer consultations with stakeholders including industry associations, and the National Advisory Council on Education and Training will be established to guide policies and strategies related to education and industrial training (*ibid*, p.30).

2. EMPLOYEES AND EMPLOYERS' VIEWPOINTS ON SKILLS DEVELOPMENT IN THE WORKPLACE IN MALAYSIA

2.1 Overview

The topic of skill training in the workplace is very timely and appropriate taking into consideration the current labour landscape taking place in the light of increasing globalization, new technologies and changing patterns of work. At present, the involvement of the main social partners, particularly in terms of the participation of workers in skills training in the workplace is very much lacking and largely absent.

In addition to the country's labour force of about 12 million out of the national population of 27 million, there are over 1.5 million documented foreign workers coupled with large numbers of illegal (undocumented) foreign workers. Employers employ these predominantly unskilled foreign workers, making maximum use of them and consequently shy away from providing the necessary skill enhancement for local workers.

2.2 Some Viewpoints

From the labour union perspective, skill development programmes should be introduced by the employers and at the same time, trade unions should also give priority and emphasis on skill development and training matters apart from fighting for the usual 'bread and butter' issues. One possibility is to include skills development as an article in the collective agreement between employers and trade unions.

In shifting from labour-intensive, low wage activities to technology-intensive, high income economic structure, the government is also expected to play a prominent role in skills development, including:-

- To carry out comprehensive study to identify the type of skill development needed for workers and employers on a national and macro basis.
- To expand the coverage of the Human Resource Development Fund, basically extending this facility to all sectors of the economy since skills development is crucial to the progress of the employees, employers and the government.
- To disburse funds for skills training providers only after carrying out an analysis on the actual skills need of the industry in order to minimise skills mismatch.
- To recognise that different types of skill training are required for different employees and industry sectors, that is to avoid the attitude of 'one size fits all'.
- To provide training and living allowances for workers who have been retrenched or terminated.
- For school dropouts, to provide vocational training (such as under the Department of Skills Development) for them to be equipped with the necessary skills and be awarded with appropriate certificate, diploma or degree

- To provide an opportunity for target groups to find effective ways to address some aspects of the reasons for the skills mismatch between the available training and the needs of employers and workers.

From the employers' perspective, skill development programmes should be designed to match the needs of government, employers and workers. Effective ways to identify training needs should be the responsibility of all stake holders in order to provide the basis for promoting workplace learning. Employers should provide ample opportunities for their employees to advance their career development and grow with the organisation, thus instilling in them, a strong sense of belonging. Experienced and skilled workers should be recognised and certified basing on their prior experience and learning, whilst any barriers to updating and continuing training should be removed. In this regard, trainers and coaches within industry should also be assigned and developed.

3. SKILLS DEVELOPMENT AND TRAINING IN THE WORKPLACE: POLICIES AND STRATEGIES

3.1 Lifelong Learning and Strategy

In response to the rapid technological changes and the increasing knowledge intensity of the economy, continuous efforts are being made to develop a knowledge society culture among Malaysians. Lifelong learning is regarded as critical for the country's drive towards a knowledge-based economy. In the Third Outline Perspective Plan, 2001-2010, efforts to promote and implement programmes for lifelong learning include conducting training courses and education programmes to be accessible and affordable through the internet or other ICT related media; setting up more IT kiosks and cyber centers especially in rural areas; establishing community colleges, open universities and distance education; and encouraging employers to promote lifelong learning through training and retraining.

3.2 Vocational Education and Training Policies for New Skills

Both the Eighth Malaysia Plan, 2001-2005, and the Ninth Malaysia Plan, 2006-2010, sought to develop human resources in line with developing Malaysia into a knowledge-based economy. In this regard, priority has been given to increase the supply of highly skilled and knowledge manpower through efforts such as-

- *Reorienting the education and training system* so that knowledge, skills and expertise acquired can support the knowledge-based economy. Priority has been given to the teaching of Science, Mathematics and languages as well as the development of critical thinking and entrepreneurial skills.
- *Increasing the overall capacity of education and training institutions* through the expansion and upgrading of existing institutions as well as the establishment of new ones. More advance skills training centers in specialized fields have been established in view of the greater demand for highly skilled workers. Community colleges have also been set up throughout the country to provide training to school leaving youths, workers and the public. The Skills Development Fund has been enhanced in order to promote and increase accessibility to skills training in the country.
- *Improving the quality of education and training delivery system* by strengthening coordinating and monitoring mechanism, reviewing and standardizing curriculum,

introducing new subjects, courses and program, giving more flexibility to public institutions to review and design courses in collaboration with the industry, as well as increasing the supply of qualified teachers and instructors.

- *Developing and promoting Malaysia as a regional center of educational excellence* by encouraging the development of centers of excellence, improving the adequacy and quality of teaching staff, as well as strengthening research and development capabilities within institutions of higher learning. These institutions are also encouraged to promote aggressively their programs abroad.
- *Reinforcing positive values* through the education and training system, including good work ethics, diligence, integrity, tolerance, gratitude and pursuit of excellence.

3.3 Enterprise Training

Various policies and strategies have been introduced to encourage firms in Malaysia to play a bigger role in training their own employees, the most prominent of which is the **Human Resource Development Fund (HRDF)** which became operational in 1993. The HRDF was introduced through the enactment of the *Human Resources Development Act* in 1992. It provides for the imposition of a levy on employers to be collected into the HRDF, as a central pool of training fund. The Fund aims to enhance private industry role in the provision of training in Malaysia, complementing the government's effort to increase the supply of trained skilled workforce in the country. It basically promotes retraining and skills upgrading for the workforce in selected industry sectors. The Act also provides for the creation of a Human Resource Development Council (HRDC), with representatives from the private sector and responsible government agencies, and a Secretariat to administer the HRDF schemes.

Under the provision of the Act, the HRDF may be used for the purpose of:

- (a) Promoting, developing and upgrading the skills of employees, including the provision, establishment, expansion, upgrading or maintenance of training facilities;
- (b) Providing financial assistance to employers in the form of grants, loans or otherwise for the purposes mentioned in (a) above, including defraying or subsidizing the costs incurred by any employer in the training or retraining of his employees; and
- (c) Carrying out, subject to such terms and conditions as may be approved by the Minister of Human Resources, of activities or projects to train or retrain retrenched persons or persons to be retrenched.

Under the Act, all employers that have contributed to the levy are eligible to apply for training grants or financial assistance for the purpose of undertaking employees' training. For this purpose, the employees must be Malaysian citizens and have attended approved training. *Approved training* is generally in the areas of computer-related skills, craft skills, technical skills, management / administrative or supervisory skills, research and development skills, as well as company-wide productivity and quality improvement programs. The approved *modes of training* include enterprise-based training, institution-based training, training at industry-managed centers, co-operative type training, or even overseas training where training is not available locally. The HRDC has also established rates of reimbursement whereby only certain specified expenses, known as "*allowable costs*", incurred by employers are eligible for financial grants / assistance.

3.4 Individual-led Training

The Third Outline Perspective Plan, 2001-2010, outlines efforts to make training courses and educational programs more accessible and affordable through the internet or other ICT related media so that individuals are encouraged to undertake learning. More IT kiosks and cyber centers, especially in rural areas have been set up, and the network of community colleges, open universities and distance education expanded. Public institutions of higher learning such as community colleges are encouraged to conduct part-time courses and promote web-based learning. In addition, support services in the form of public libraries especially mobile libraries, have been increased.

4. STRENGTHENING SKILLS TRAINING IN THE WORKPLACE: THE NATIONAL DUAL TRAINING SYSTEM (NDTS)

4.1 Development of the NDTS

The initiative to introduce a new training scheme in Malaysia similar to the dual training system in Germany could be traced back to the Malaysian-German talks which were held in 1996 (EPU/GTZ, 1996). It was decided in December 1996 to undertake through Malaysian-German cooperation, a study on the design of a dual vocational training scheme for Malaysia. In its final report which was published in May 1999, the study recommended that future Malaysian-German collaboration should focus on “the qualitative improvement of the existing vocational training system” (Blumenstein, *et al.*, 1999, p.97), that is building upon the co-operative type of training which was already being implemented in the country as apprenticeship schemes and in state-level skills development centres. It led to the establishment of a *Dual System Project (DSP)* team which comprised of a German team leader and four other members who were appointed on a full-time basis, mainly from 2000 until the project ended in 2005 (DSP, 2001). The DSP team organised its actions basing on a conceptual outline (refer to *Figure 1*), comprising of five main components:

Component 1: Intensifying the dual orientation of industry and training institutions. It provided the overall direction and main thrust of the DSP, that is to increase the direct involvement of the industry in technical educational and vocational training (TEVT) at all levels. In essence, it sought to enhance a ‘*dual TEVT culture*’ in the Malaysian industry.

Component 2: Enhancing quality and capacity for development of curricula and teaching aids. It aimed at developing an improved concept for skills standards, a format for occupational profiles as well as quality curricula and effective instructional materials.

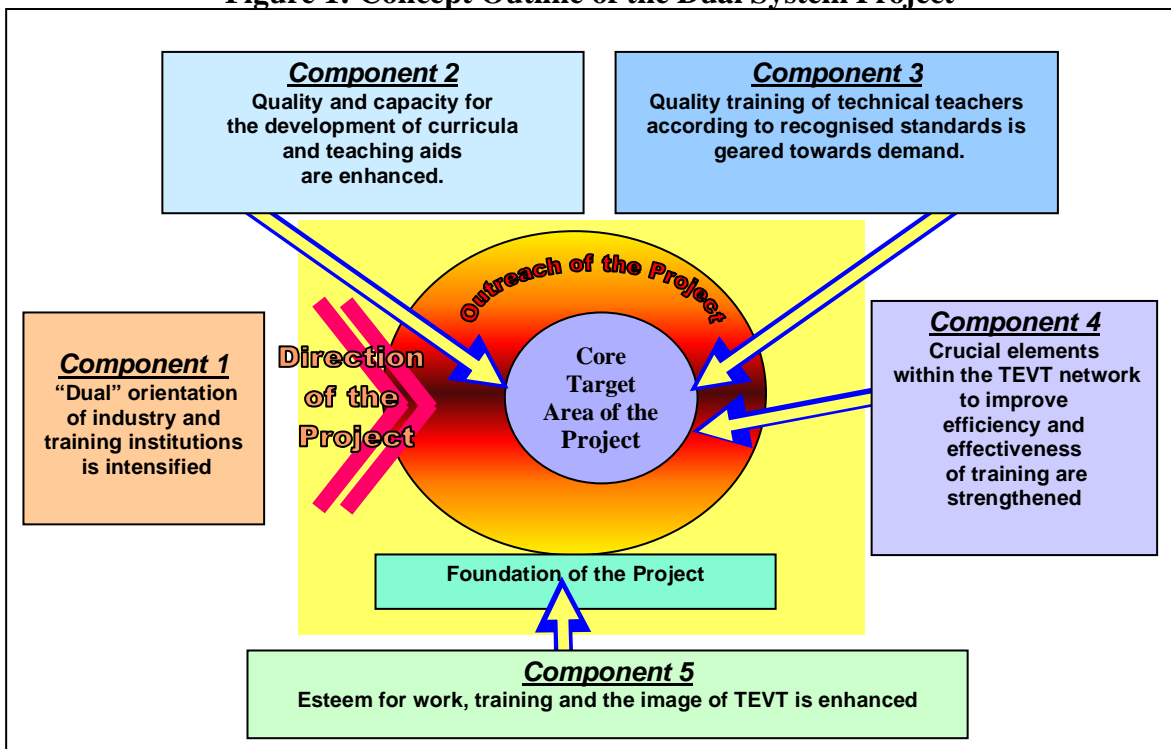
Component 3: Gearing quality training of vocational teachers towards demand. This component focused on technical teacher and instructor training covering pre-service training as well as in-service training.

Component 4: Strengthening TEVT network to improve efficiency and effectiveness of training. This component aimed at strengthening crucial elements within the network of TEVT to improve efficiency and effectiveness of training.

Component 5: Enhancing esteem for work, training and the image of TEVT. This component was intended to address the social values and image of work, and training in general. In this regard, it forms the psychological basis of the national

endeavour to develop knowledge-workers by reinforcing the aspiration of all individuals to actively participate in work and training.

Figure 1: Concept Outline of the Dual System Project



Sources: Summarised from DSP (2001a, p.3); DSP (2004a, p.4)

On the basis of the efforts of the DSP, the Malaysian Cabinet approved the implementation of the National Dual Training System (NDTS) on **19 May 2004** from 2005 onwards, targeting to produce a total of 31,500 skilled workers by the year 2010 (MLVK, 2005).

3.2 Operationalising the NDTS

The introduction of the NDTS was a direct response to various policy thrusts in the Eighth Malaysia Plan, 2001-2005, and the Third Outline Perspective Plan, 2001-2010, which highlighted the need to produce K-workers. The Eighth Malaysia Plan embarked on several initiatives:

...The education and training system will be geared to produce multi-skilled and knowledge manpower that is versatile, willing to learn continuously, technopreneurial as well as with the ability to acquire and apply knowledge, particularly in modern technology. (Malaysia, 2001b, p.111).

...concerted efforts will have to be made to increase the supply of highly skilled and knowledge manpower through the expansion of education and training. (*ibid*, p.112).

The Third Outline Perspective Plan also stresses the need for close collaboration between training institutions and industry at large:

To ensure that the school curriculum remain relevant to industry and include work-based learning components, a mechanism will be set up to link schools with industries. (Malaysia, 2001a, para 6.28)

Collaborative efforts through smart-partnerships between the Government and private sector will be promoted. (*ibid*, para 6.44)

The Plan made direct reference to the planned introduction of a “dual training approach”:

The adoption of the dual training approach through apprenticeship schemes will be enhanced during this period. [...]. More training institutions will be encouraged to adopt this approach in collaboration with industry [...]. The focus is on hands-on training at the workplace whereas the training institution provides the theoretical foundations. (*ibid*, para 6.41)

For the NDTs to succeed in producing K-workers, it requires a ‘dual’ learning environment for the delivery of training which taps into the training potential and strengths of both training institutions and actual workplaces (DSP, 2004a). Therefore, the DSP had allocated much attention on enhancing the dual TEVT culture (DSP, 2001). The participation of the ‘right type’ of companies and training institutions were deliberated extensively in the development of the NDTs, taking into consideration the need to be flexible and accommodating but at the same time ensuring that the minimum training requirements are met.

At the *Workshop on Determining the Final Shape of the NDTs and its Implementation* held in September 2003, it was acknowledged that a wide range of companies should be allowed to participate. However, getting wider participation should not be at the expense of quality (EPU, 2003). To ensure the proper participation of companies, the DSP recommended that participating companies need to have the required facilities, machinery, equipment and tools in a sufficiently broad spectrum of operations for the skills identified in the respective training occupations to be transmitted.

Thus, for the implementation of the NDTs, participating employers have been entrusted with several main responsibilities as outlined below:

- Conduct 70-80 percent of the training in actual work places and environment;
- Prepare two-years training programme in collaboration with training institution;
- Provide log book, study plan, training materials as well as necessary equipment and facilities;
- Provide coaches in the ratio of one coach for every three trainees; and
- Provide stipulated training allowances to trainees. (MLVK, 2005).

Pertaining to the training institutions, the DSP suggested that their participation should be as unrestrictive as possible, that is keeping the requirements for their participation minimal, as long as they “have the necessary facilities, equipment, competent instructors and readiness for engagement with the private sector” (EPU, 2003). At the start of the NDTs implementation from 2005, training institutions under the Ministry of Human Resources, Ministry of Youth and Sports, Ministry of Entrepreneur and Cooperative

Development, and Ministry of Higher Education have been directed to participate in the NDTS. Their primary responsibilities include:

- Conduct 20-30 percent of the training;
- Collaborate with participating companies in preparing and undertaking the training programme;
- Provide necessary training amenities and facilities; and
- Provide instructors in the ratio of one coach for about twenty trainees.

Source: MLVK (2005)

The implementation of the NDTS commenced in 2005 with the intake of the first batch of 29 apprentices by DaimlerChrysler (Malaysia) and 14 apprentices by NAZA Automotive Manufacturing for the training occupation of Automotive Mechatronics. The training programmes were undertaken based on the stipulated guidelines and regulations and the newly established National Occupational Core Curriculum for the occupation (MLVK, 2005a). By December 2009, about 22,000 apprentices have completed or are undergoing training programmes under the NDTS, involving about 1,000 different companies.

3.4 Some Lessons Learnt

From the analyses made in a recent study, it is found that the NDTS in Malaysia has not merely replicated the dual training system in Germany although it shares some of the underlying features and characteristics (Pang, C.L., 2010). The major differences between the NDTS and the dual training system in Germany are summarized in Table 2. From the comparison, there are several sharp and fundamental differences between the dual training system in Germany and the NDTS in Malaysia. The most basic difference is in their central goal whereby the German dual training system has been premised on a much broader and holistic role of the country's vocational education and training policy, that it extends beyond the concern of employability (economic function) but is considered part of the overall education, through initial training and continuing vocational training, to which individuals have access throughout their active life (lifelong learning function) (Birzea, *et al.*, 1999). In contrast, the dominant function of the NDTS is economic in nature since it is largely considered as an investment in human capital, bringing benefits of enhanced productivity, competitiveness and employability to individuals, enterprises and society. The sharp difference between the two national training systems is clearly attributable to their social, cultural and historical roots.

Table 2: Comparing the NDTS and the Dual Training System in Germany

Key Feature / Characteristic	Dual Training System in Germany	NDTS in Malaysia
<i>Origin / early beginnings</i>	<u>Long history / tradition:</u> 'Dual' character of system emerged in early 20 th century; early roots in craft training and apprenticeship during Middle Ages (17 th century).	<u>Very recent development:</u> Bilateral German-Malaysian meetings (leaders and officers) in mid-1990s.
<i>Ultimate goal</i>	<u>Broad, universal goal:</u> Vocational education and training providing all young people with qualifications in recognised occup.	<u>Specific goal for employment:</u> Meeting the skilled workforce requirements of economy.
<i>Legal framework</i>	<u>Well-established framework:</u>	<u>No framework at all.</u>

	Vocational Training Act 1969 for workplace training; State (<i>Länder</i>) Education Acts for training in schools.	
Funding mechanism	<u>Cost-sharing: Industry larger share</u> Cost-sharing between government and industry – industry accounts for up to two-thirds of total.	<u>Cost-sharing: Govt larger share</u> Cost-sharing with government taking up a much larger share than industry.
Co-ordination and quality control	<u>Principle of self-regulation:</u> By chambers for enterprises, although for schools, by school inspectorate under <i>Länder</i> governments.	<u>Central control:</u> Centralised by government, mostly through EPU and DSD; no role for employers or workers organisation.
Examinations and certification	<u>Self-administration:</u> By chambers.	<u>Central control:</u> By government, through DSD; leading to the award of national skills certificate, level 3.
Overriding training objective	<u>Orientation to the principle of ‘vocation (Beruf)’:</u> Knowledge-worker occupational competence (comprising of technical, human & social, and learning & methodological competencies) - premised on the concept of <i>Beruf</i> in Germany.	
Curriculum & instruction design	<u>Less detailed documentation:</u> Only a brief curriculum framework provided; new concept of ‘learning fields’; different for companies and vocational schools.	<u>Very detailed documentation:</u> NOCC and detailed curriculum, and also learn and work assignments; same for companies & training centres.
	<u>Longer duration:</u> 3-3 1/2 years	<u>Shorter duration:</u> 2 years
	<u>Training structure:</u> Practical training, 70 percent in company and theoretical and basic training, 30 percent in training centre; block or day-release depending on company/training centre arrangement.	
	<u>Activity-based learning approach</u> (underpinned by constructivist view of learning).	<u>Work process-oriented approach</u> (underpinned by constructivist view of learning).
Training infrastructure	<u>Infrastructure:</u> In-company facilities, supported by external training centres; vocational schools.	

3.5 Policy Implications

‘Readiness’ of Industry-Driven Training

A major difference between the NDTs in Malaysia and the dual training system in Germany is the central and driving role that the Malaysian government has been playing in the development and implementation of the NDTs, with the industry playing a supportive role only. This situation is in sharp contrast to that in Germany where the private sector industry plays a leading and dominant role in the country’s dual training system. Such a situation is expected to continue in Malaysia for the immediate future, considering that the relatively ‘weak’ organisation and position of industry organizations, compared to the well-organised chambers of trades or industry and commerce in Germany, means that the Malaysian industry is simply not ready to take over various functions from the Department of Skills Development such as promoting the NDTs training programmes, providing advice to sponsoring companies and training institutions, overseeing apprenticeship contracts, or conducting examinations.

New Regulatory Framework

The enforcement of the National Skills Development Act 2006 also known as Act 652 with effect from September 2006, has strengthened further the mechanism for engaging the private sector and industry in the country's national skills delivery system. The Act provides for the establishment of the National Skills Development Council which is represented by both the public and private sectors (Malaysia, 2006b). The Act also ensures that skills training programmes are undertaken based on the requirements of the National Occupational Skills Standards which, in turn, are established according to the actual needs of the relevant industries in Malaysia. Nevertheless, the Act in its current form, does not have provisions which directly promote the development of the NDTs or other forms of industry or work-based training.

4. CONCLUSION

Malaysia is well on its way towards attaining the developed nation status that the country aspires to be by the year 2020. Central to this aspiration is the country's success in developing its human capital, in order to equip all individuals with the competencies required for a modern, knowledge-based society. Such an endeavour requires that the national education and training systems be continuously enhanced in terms of its quality, efficiency and effectiveness. This, in turn, depends on strong and smart partnership between the government and the private sector, especially to create a workforce that is competent, multi-skilled and versatile. The Malaysian Government has established favorable policy environment as well as introduced new initiatives such as the National Dual Training System to ensure that the collaboration are actually translated into action and implementation.

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