OPENING KEYNOTE ADDRESS BY YB TUAN M. KULASEGARAN, MINISTER OF HUMAN RESOURCES MALAYSIA AT THE MALAYSIAN TVET FORUM
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(Delivered by Puan Junita Binti Mohamed Ali, Director, Planning and Research, Manpower Department, Ministry of Human Development Malaysia)

“Unlocking the Economy through Technical & Vocational Education & Training”

Tan Sri Barry Goh, Executive Chairman, Kingsley EduGroup
Tan Sri Michael Yeoh, President, Kingsley Strategic Institute

Distinguished Guests

Ladies and Gentlemen,

1. First and foremost, I would like to extend my sincere appreciation to the organiser Kingsley Advisory & Strategy for the invitation extended to our Honourable Minister of Human Resources, Mr. M. Kula Segaran. As much as possible that he wanted to be at this session, however, due to unforeseen circumstances and his hectic schedule, he is unable to be here today. I have been assigned to deliver his keynote address at the august Forum.

2. I would like to take this opportunity to commend the organiser for hosting this forum in which I believe is the best platform for the meeting of minds in terms of comparing and sharing ideas as well as putting forward constructive proposals for the betterment of TVET in the country.

3. As the global economy continues to recover, labour force is improving, albeit at a slower pace. Global unemployment in 2018 is projected around 5.5%, slightly better than 2017 reading of 5.6% on the back of a better global GDP outlook, with an expected growth of around 3.6% in 2018 from 3.3% in 2017.

3. Youth unemployment, which includes unemployed individuals aged 15 to 24, a typical age range that covers those who had completed high school or
graduated from colleges and looking for jobs, remains relatively high. In fact, global youth unemployment is higher than global unemployment. It is around 13.2% in 2017 and is estimated to hover around the same level in 2018.

4. Presently in Malaysia, although the current unemployment is around 3.4% in 2017, the youth unemployment rate is over three times higher at around 10.8% in 2017. Among ASEAN member countries, the youth unemployment rate is the lowest in Singapore at 4.6%, followed by Thailand (5.9%), Vietnam (7%), Philippines (7.9%) and Indonesia (15.6%). In China, it is at 10.8% while India’s youth unemployment is at 10.5%.

5. Malaysia’s unemployment rate, which was recorded at 10.8% last year, was most likely due to the mismatch of skills. In a report issued by MIDF Research, it stated the figure was influenced by the soaring graduate unemployment rate which spiked to 9.6% and translated to 204,000 people – this also made up 40.5% of total unemployment. Furthermore, from the overall number of job vacancies last year, 76% were for elementary occupation followed by 10.3% for plant and machinery operators and assemblers, based on the data provided by the Department of Statistics Malaysia. Low-skill jobs made up 86.3% of job vacancies last year, while high-skill job vacancies suited for fresh graduates accounted for 4.1% of job vacancies.

Ladies and Gentlemen,

6. Eleventh Malaysian Plan (RMK-11) covering the period from 2016 to 2020, it is projected that the percentage of skilled workers among the local workforce would be enhanced from the current 28% to 35% by year 2020. In order to achieve this target, TVET is to become a game changer so that it could easily meet the demand and requirement of the industry in terms of addressing the mismatch. For that to happen, the target is to increase TVET students’ annual intake gradually from 164,000 in 2013 to 225,000 in 2020.

7. At the domestic level, TVET is under the purview of six (6) Ministries namely Ministry of Education, Ministry of Human Resources, Ministry of Works,
Ministry of Agriculture and Ministry of Agro-based Industries, Ministry of Rural Development and finally, the Ministry of Youth & Sports. In 2018, the allocated budget for TVET implementation stood at RM4.9 billion.

8. In total, there are 564 public TVET institutions and being complemented with another 690 private TVET institutions. The existing challenges pertaining to TVET is not solely confined to budget constraint but include multitude of factors such as dual accreditation bodies, overlapping of courses offered by the institutions, suitability of the TVET institutions locality, non-uniformity of entry requirements, different fee structures, competent and qualified instructors and active involvement of the industries.

9. Realizing the herculean tasks faced by the Government to rectify the current TVET system including governance, slew of measures will be implemented very soon to strengthen and towards further improvement of TVET delivery implementation. Chief among others is to elevate the quality of TVET programmes as well as TVET instructors. It is essential for TVET instructors either in public or private institutions to gain industrial experience so as to ensure that will be keeping abreast with the updated technology. Another critical aspects of TVET that is significantly different from the normal academic pathway is the apprenticeships, internships, and work-based learning programmes components.

10. Looking at the statistics, every country needs skilled workers and Malaysia is not an exception. In particular, competent artisans and technicians are needed to fill skills gaps in various sectors of the economy, including the building and construction industry, power and energy plants, water distribution and sanitation systems, and large public works. Adequately trained workers are also in short supply in the hospitality, manufacturing and agro-processing sectors. Furthermore, we need highly skilled technical personnel to drive the agenda of transforming their economies through value-addition to the primary commodities and natural resources. Well-functioning TVET systems are best placed to train the skilled workforce which Malaysia needs to address its socio-economic development challenges.
11. I can assure that the Ministry of Human Resources together with other TVET stakeholders will strive towards uplifting the quality and standard of TVET in the country. Simultaneously, Department of Skills Development (JPK) will continue to review and put in place the National Skills Occupational Standard (NOSS) that will cater for new skills in the coming years. In order to nurture and attract interests among the society particularly at youth level, skills competition are continuously being organised at the national including regional and global levels.

Ladies and Gentlemen,

12. “Problem, Project, Production” learning modules which engage students in authentic, “real world” tasks intended to simulate actual workplace situations, will also be embedded in the curriculum to better prepare students for the working environment.” The Plan also includes continued funding under the Skills Development Fund (SDF) for TVET students who pursue high demand programmes by industries.

13. The existing SDF loan mechanism for employee upskilling and reskilling will be revamped to increase the number of recipients through a cost-sharing arrangement with the industry. The heavy reliance of private institutions on the loan disbursement from the Government will be unsustainable in the long run. It is of paramount importance for the industry to be deeply involved in the financing aspect of TVET. A recent completed study by the Price Waterhouse Coopers (PWC) commissioned by the Ministry of Human Resources even proposed for an industrial-driven funding.

14. Malaysia could emulate the TVET system in Germany in which the industry actively participate through the financing of the apprenticeship programme i.e. Apprenticeship allowances, practical training and tuition fees while the Government is responsible for the remuneration of TVET instructors and the physical infrastructures. Even the Chambers of Commerce work closely with the industry to develop curriculum/syllabus as well as examination questions.
The industry in Germany are fully committed to its TVET system to ensure that they could produce workers that meet their needs and requirements. The Government and the industry have the common understanding on the methodology of its TVET delivery i.e. 30% theory and 70% industrial training.

Ladies and Gentlemen:

15. The buzz word at the current moment is the mentioning of the word the 4th Industrial Revolution (IR 4.0). In strengthening TVET delivery, we must guarantee that TVET training institutions would embrace and integrate the 11 important pillars of IR 4.0 in their trainings such as Internet of Things, Cloud Computing, Cybersecurity, Augmented Reality, Artificial Intelligence, Robotic and Data Analysis.

16. While the 4th industrial revolution will potentially affect jobs, new jobs will replace traditional jobs and these will require a different skill set. TVET institutions will need to improve their way of imparting skills to students. Graduates will face an uphill battle to find employment in which they have to adapt to the changing work environment as quickly as possible. The workplace will be transformed and digital will be utilized to reskill staff. For example, robot automation is projected to take 800 million jobs by 2030.

17. I strongly believe that machines will not be able to replace or eliminate human beings. In the era of 4th industrial revolution, it is critical for human beings to acquire skill sets that will complement the machines. As the nature of work evolves according to the changes of technology, the skills needed for future workers will change as well. The top 10 skills required for future workers as reported by the World Economic Forum are complex problem solving, critical thinking, creativity, people management, coordinating with others, emotional intelligence, judgement and decision making, service orientation, negotiation and cognitive flexibility. The future working environment demand workers who could learn quickly, solve problems more creatively, adapt and respond to a new situations more effectively.
18. Hence, emotional intelligence comes into the picture and creativity has gained higher rank order compared to previous order. Being creative includes the ability to think in unconventional ways and promotes divergent thinking. With vast availability of data and resources, workers need to think unlimited possibilities and offers multiple set of choices during problem solving process. These are the set of skills that must be taught by the TVET institutions to prospective students.

Ladies and Gentlemen,

19. TVET is a branch of education that cannot be overlooked by any Government. It is through TVET that a nation is able to achieve an industrialised nation. Great economies such as Australia, Germany, Korea and Japan place strong emphasis on the development of TVET education. If Malaysia is to be like other strong economies, we need to believe that TVET can do the job. We need to put more focus on TVET. We need to change the negative perceptions by our society of TVET. We need to encourage more youth to enrol in TVET program. We need employers to recognise TVET qualification. Most important of all is the commitment from all stakeholders particularly the industry in making TVET as the first choice of education/training and not as the last option. Long awaited TVET transformation is in the pipeline and we are on the verge of having a single accreditation body for TVET that is long overdue.

20. As the country moves towards the Fourth Industrial Revolution, change is the new language of TVET. Quoting Albert Einstein, it is insane to keep doing the same thing and expect different results.

21. In conclusion, I would like to express my appreciation to the organiser for organising this forum and I look forward to all stakeholders combining strengths to realise the future viability and effectiveness of TVET for the years to come.

Thank you.