

Closing the Skills Gap

Talent Corporation Malaysia's programmes have been effective but revisions in approach are needed to better compete in the global battle for skilled talent.

GLOBAL demand for internationally mobile and skilled human capital is intensifying as companies extend their reach internationally and authorities recognise the pivotal contribution of skilled people in the development of the economy. To secure talent that Malaysia needs, Talent Corporation Malaysia Bhd (TalentCorp) continuously assesses the efficacy of two of its key initiatives: the Returning Expert Programme (REP) and the Residence Pass-Talent (RP-T) programme to ensure that they remain a compelling proposition.

The World Bank undertook the review of the REP and RP-T to assess the effectiveness of both programmes and to conduct various activities aimed at improving TalentCorp's ability to fulfil its mandate. Its findings were released in June, in a report entitled Improving the Effectiveness of TalentCorp's Initiatives.

The analysis and assessment by the World Bank concluded that both initiatives were achieving the mandate. REP was effectively attracting Malaysians working abroad while RP-T was able to retain highly skilled expatriates that are employed and living in the country.

"The effectiveness of government policies aimed at attracting highly skilled human capital is always hotly debated. It was indeed gratifying to hear that two of our major initiatives are contributing towards Malaysia's need for talent. The World Bank also found aspects of both programmes that we can improve upon to continue to stay relevant. TalentCorp will take on board all the recommendations. We need to scale up to continue to meet the talent needs of the country," says Johan Mahmood Merican, CEO of TalentCorp.

Attracting Malaysians abroad

The World Bank's report highlights the REP's cost-effectiveness and ability to incentivise Malaysian professionals working abroad to return and work in the country. The World Bank found REP to be especially effective for Malaysians abroad that have already secured a job in the country when they apply for this programme. More than 40% are likely

to return as a result of this programme's incentives.

"Some may argue that Malaysians living abroad that intend to come back will come back regardless of whether REP is offered. But analyses done by the World Bank shows that being approved by this programme does influence the decision to return. This is clearly seen when the individual has already received a job offer from an employer in Malaysia," says Johan.

The World Bank recommended that TalentCorp needs to improve its focus on connecting talent to attractive job opportunities. Towards this, TalentCorp has initiated a job portal for global Malaysians and is increasingly working with employers and executive search firms to connect Malaysians abroad to jobs at home.

Chia Chin Lan is a REP returnee. She worked in Singapore twice in her career and recently returned to Malaysia to work for Maybank Bhd as the Director for Global Financial Institutions, Transaction Banking. "TalentCorp's REP not only minimised the remuneration gap but also facilitated my return home. It was definitely an incentive for me to return. The actual process was straightforward and professionally executed so my transition back was a breeze," says Chin.

The World Bank also found REP returnees to have a net positive cost benefit. "A cost is incurred to reach out to this individual abroad and financial incentives are given when they return. Encouragingly, the World Bank's assessment concluded that the net financial impact to the country is positive given that this individual will pay taxes and make other related contributions. A fiscal benefit of RM27,000 is not a large amount but it is important to note that there is a positive financial outcome for Malaysia. Furthermore, there are intangible benefits because a person with international exposure can influence and enhance the capability of others in their company," says Johan.

Chin believes that regional experience is vital especially as the Asean economic community develops. "Prior working experience with key regional financial



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institutions gives me great knowledge of these markets, a good understanding of the different culture and people, and a wide and diverse perspective. The most important lesson that I learnt (in my career) is being able to see and appreciate the specific nuances of each market. Recognising and marrying this uniqueness to financial products and services adds value to the bank's relationships with its customers. Essentially, this creates a win-win proposition and I am convinced that it supports Maybank's vision of becoming a regional leader in financial services. I do hope that I can share the knowledge and skills that I have acquired from working overseas," says Chin, adding that it is great to be back.

This suggests that companies that are broadening their geographical scope are willing to pay more for professionals that can adapt and operate effectively in a

global and culturally diverse environment. "Companies competing in an increasingly globalised business climate require employees that can act globally and think locally when dealing with international customers, suppliers and international counterparts. A company will pay more for skills that it needs. TalentCorp recognises that Malaysia needs talent with these skills as the country develops into a high-income service economy. The government is not against people leaving the country to work but what we want to achieve is a situation that I call 'brain circulation'," adds Johan.

Johan explains that brain circulation occurs when Malaysians abroad return to fill up gaps in the local job market. According to the World Bank, the number of Malaysians living in Organisation for Economic Co-operation and Development (OECD) countries has grown from 121,000

RECOMMENDATIONS FOR THE REP



TalentCorp to focus on connecting Malaysian diaspora to jobs



Develop platform to identify & monitor skills shortages. Under 11th Malaysia Plan, ILMA and TalentCorp has been tasked to lead the Critical Skills Committee



Continuously revise REP eligibility to better target skills shortages by meeting broader family needs

RECOMMENDATIONS FOR THE RP-T



Platform to identify & monitor skills shortages



Revise RP-T eligibility to better target skillsets in shortage



Expand eligibility for RP-T to expatriates applying from



Viglione, who was enrolled in the RP-T programme, says a multi-racial culture has helped influence the core values at Western Digital



Chia is a beneficiary of the REP, which helped facilitate her return from Singapore

"Both REP and RP-T are successfully attracting individuals who are filling some of Malaysia's skill gaps."

— The World Bank

Malaysia. He was approved under the RP-T programme and found it designed to address the immigration needs of expatriates and their families.

The programme encourages a longer-term view (ie, a 10-year pass to live and work in Malaysia). This is very important as it provides mid-term stability. This programme makes it hassle-free for the expatriate to continue working in the country and this allowed me to focus on my work. It is also very comforting to know that the eco-system (for skilled talent) is constantly evolving to keep up with a changing external environment," says Viglione.

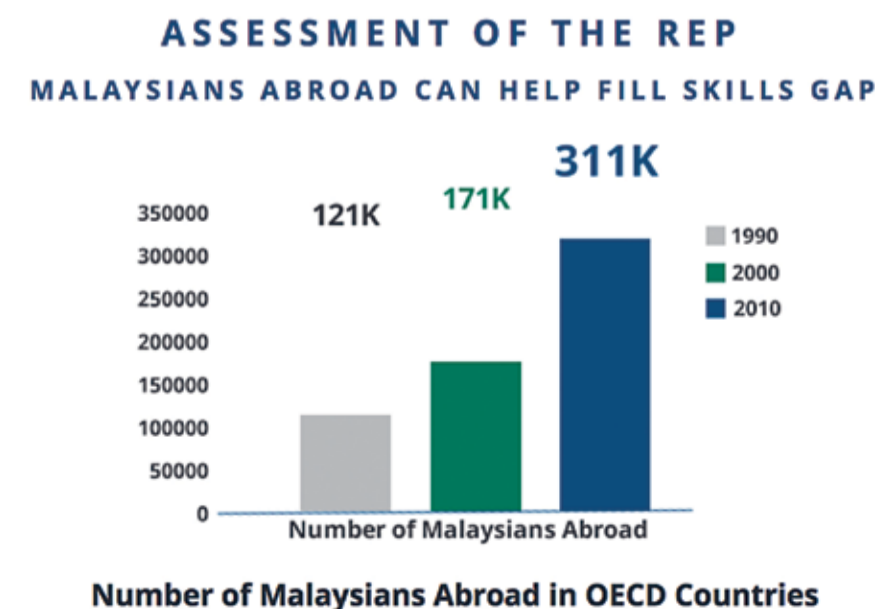
Working in different countries has contributed to his personal growth and development. This experience enabled him to cultivate a harmonious multi-racial environment at Western Digital. "Exposure to other cultures forces one to listen and understand cultural diversity. With this, one can develop an approach that motivates and inspires a team of people. It is about integrating and harmonising a multi-racial culture and this can be incorporated into the core values of a company like Western Digital. An inspired and motivated team will

deliver value for the business."

"I work to empower people by sharing my personal evolutionary experiences so they can apply it in the development of their own careers. It has been a very interesting journey and many of the people that I work with have known me for almost 20 years," says Viglione.

Johan also points out that premium paid to expatriates indicates that there are jobs that currently cannot be met by the domestic labour force. "If the assumption is that companies are rational entities, a premium is only paid if there is a critical shortage of a particular skill. In this case, if there is an expatriate with the skills that Malaysia needs, we want to be able to retain this person," says Johan.

The World Bank recommended that the approval criteria for both REP and RP-T be continuously refined to better align with Malaysia's talent needs and adapted to evolving labour market demands. For example, the World Bank proposed that the RP-T criteria for a minimum of 3 years working experience in Malaysia be removed to expand eligibility for highly talented expatriates with skillsets in shortage in Malaysia to apply for RP-T directly from abroad.



Source: World Bank

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