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PEOPLE

INVESTING IN HR DEVELOPMENT

The priorities in business development are evolving and in the midst of this gradual change, Business Today examines the status quo of HR development in Malaysia.

The predominant world of economic and business revolves around the equation of tangible investments returning in forms of material wealth. Recent human resource management trends shifted its gaze to acknowledge the pivotal role of investing in its greatest capital, people.

Hence the question remains: does significant investment in employees add value to corporate businesses and shareholders? Dr.R. Palan, CEO of SMR Technologies Berhad and its Operations Director, Robert L.H. Lim, affirm the notion and share their strategies and philosophies on the significance of HR (human resource or capital) development with Business Today.

With SMR Technologies Berhad's (SMRT) four year old establishment and 25 years history in the HR field, it has since been unrivalled in its innovative products to enhance and promote HR development. SMRT pioneers in competency-based HR services and solutions in its field. Its research shows the best practices of people development and management result in significant increase in performance and productivity.

"Being niche and focused gives us the world class ability to grow in the global arena...we are going beyond paying people by the hour, we are looking at strengths and talents and translating them into performance," says Dr. Palan.

GOVERNMENT'S SUPPORT

The more important question to be asked by corporate entities, says Dr. Palan, is to examine whether their deployment and development of key strategic HR elements are pro-

gressing towards a solid future. The question has also been recently inquired by the Malaysian government.

It has since offered financial encouragement for businesses to invest in their employees with allocated funds and tax returns on HR development expenditure.

SMBs (small and medium-sized businesses) that send their employees for courses at any appointed training providers listed with SMIDEC (Small and Medium Industries Development Corporation), is eligible for a 50% training grant. In addition, the remaining costs can be claimed through the HR Development Fund (HRDF) if the company is registered with the HR Development Board (HRDB).

"The government is progressive about HR management and development and there is tremendous emphasis on this. It notes that the people are ready for this change," says Lim.



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Even with the government's encouragement and emphasis on the subject matter, the initiative has yet to have appealed impressively to the SMBs, a vital component in the Malaysian economy.

Dr. Palan explains the nature and mindset of SMBs are notably under great financial and resource constraints and adds, "working under these pressures, anything intangible will just fall lower in priority."

However, the awareness on the significance of HR investment has grown by tremendous proportions due to direct correlation to new business perspectives. Lim notes, the level of understanding of SMBs and the people running them are gradually substituted by a generation trained with the knowledge and need for automated and competency-based business processes, as essential management tools. Regular retraining of employees is imperative in today corporate world.

SUCCESSION PLANNING

As the pressing regard for succession planning in businesses further encourages organisations to invest in its employees, opportunities and the potential to develop people on a life long basis are more profound now than ever before.

Succession management is operated through developing managers at all levels, requiring leadership skills and substantial management talent to be dictated as an overall organisational strategy. HR investment integrates succession management with recruiting, selection, retention and development systems in place.

Additionally, retention of knowledge which is vested in employees, appeals for a greater need to invest in the deployment of resources in corporate companies. Individual positions within organisations require constant development and visible career paths to entice employees to remain. It ultimately results in knowledge retention, securing valuable HR.

If performance modules do not display or encourage individuals to participate in the company's self-development systems available, it threatens to lose valuable resources. Investment in HR development creates sophisticated systems ensuring a stable corporate future.

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be confidently in the top 20 percentile, Dr. Palan observes.

THE MALAYSIAN HR PRACTISE

There have been many attempts to generalise and compare HR management styles from different regions of the globe to various races and even religions. Malaysia is not exempted from such stereotypes. Having the privilege of spending most of his life in the US and Europe, Dr. Palan is able to identify and share his views on the Malaysian HR practice and management style.

"We think about work too much," he relates amusingly. The local management style is characterised by its work ethics with extensive amount of time dedicated to the job. "We think about it so much that we have lost the art of conversation and relaxation."

However it is exactly the improper work life balance, which makes Malaysia strive in its trade and economy.

"We are very cost-conscious and this results in good production," Lee remarks.

All things considered displays that investment in people does indeed add value to corporate businesses and shareholders. HR development affirms the notion by presenting the necessary measures to retain knowledge with investments in the deployment, development and driving of corporate superior performance, through talent management and succession planning, will inadvertently help organisations retain their most prized asset, which again is its people. ■



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