

## **The Need for Strategic Training and Development of Iskandar Malaysia Workforce**

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**Abstract:** *The success of any organization largely depends on the knowledge, skills, and abilities of their workers. Therefore, strategic training and development of Iskandar Malaysia (IM) workforce is of paramount importance, as this will enable it to execute quality product. Although there have been initiatives to improve training and development of the construction workforce in IM, yet many researchers argue that these efforts are inadequate. To enhance the development of good products and excellent services in IM, adequate planning, designing, implementing, and evaluating of training programs is required. The objective of this conceptual paper is to critically analyze the current situation of Iskandar Malaysia as regards to strategic training and developments of its workforce, to enable us to recommend a new approach to this effect. This will be achieved through review of previous publications, such as published professional journals, academic works, internet search, and other relevant literature. After a detailed review, it was discovered that the training and skill development programs available for IM workforce have not been able to tackle the issue of skilled labour shortage, resulting to low productivity. Hence, this study proposes the Strategic Training and Development Process (STDP) to the management of IM, for the purpose of workforce development and organizations' growth.*

**Keywords:** *Iskandar Malaysia, labour, Management, Training and Development,*

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### **I. INTRODUCTION**

Iskandar Malaysia (IM) is a regional development project within the state of Johor, set to become Southern Peninsular Malaysia's most developed region by the year 2025 where living, entertainment, environment, and business perfectly converge within a lively metropolis ([www.iskandarmalaysia.com.my](http://www.iskandarmalaysia.com.my)). Formerly known as Iskandar Development Region (IDR) or South Johor Economic Region (SJER). IM covers an area of 2,217 square kilometers, which is approximately three (3) times the size of Singapore and forty eight (48) times the size of Putrajaya (IRDA, 2014). The vision of this development project is to establish a strong and continuous developing metropolis of international standard (CDP, 2006-2025). IM has created a lot of job opportunities for both local and foreign workers. A survey conducted by Iskandar Economic Statistics (IES) in 2014 indicates that the population of labour force participating in IM development project has increased largely over the years. Moreover, some of the employed labour force have little or no experience, whereas the experienced ones are not familiar with modern construction techniques, leading to low productivity (CDP, 2006-2025). Although efforts are being made regarding training and development of labour force in IM, yet critics believe that more needs to be done so as to improve their productivity.

### **II. PURPOSE OF THIS PAPER**

There has been claimed that the workforce of Iskandar Malaysia has been inefficient, due to inadequate training and skill development, resulting in scarcity of skilled labour and waste of resources. It has been reported in Business Times (2013) that the shortage of skilled labour has impeded the development of Iskandar Malaysia and at the same time reduced the number of foreign investors. In a further report, it states that the shortage of workers in Iskandar Malaysia is not surprising, considering the fact that Malaysia as a whole is facing a dearth of skilled manpower due to the lack of quality training and development programs in the construction industry. However, this situation can be improved by strategic training and skill development.

The importance of training and development cannot be sidelined because it is a continuous learning process which contributes towards the actualization of organizations' aims and objective. It also improves the values of employee, thus enhancing the organizational performance (Delery and Doty, 1996). Continuous training of construction workforce has been identified as the fundamental strategy to meet the increasing demand for skilled workers in the Malaysian Construction Industry (CITP, 2016-2020). Therefore, the management of IM is obliged to adapt continuous training and development approaches for maximum output. This requires the services of experienced human resource managers.

In this study, the Strategic Training and Development Process (STDP) has been investigated and recommended to the management of Iskandar Malaysia, for the purpose of achieving their objective, as well as improving the skills of workforce.

### **III. ISKANDAR MALAYSIA (IM): THE NEWCORRIDOR FOR DEVELOPMENT IN MALAYSIA**

The Iskandar Malaysia vision has been designed through a Comprehensive Development Plan (CDP), supporting relevant strategies to enhance the physical and economic development of Johor Bahru metropolitan area. The Iskandar Region Development Authority (IRDA) is a Federal Government Statutory Body set up to plan, promote, and facilitate Iskandar Malaysia processes in the region and they report directly to the Prime Minister (PM).

Johor was chosen as the beneficiary of IM project due to its strategic location in the southern region of peninsular Malaysia. Johor Bahru (JB) which is the capital of Johor is a commercial and industrial city, designed in such a way that industries are not clustered (KN, 2006). Despite the high ranking of JB in terms of economic contribution, high crime rate has been one of the major challenges in realization of the IM vision (DSM, 2010). The 2015 crime index rate by Numbeo which is the largest user contribution database of cities and countries worldwide shows that Johor Bahru (JB) has a crime index rate of 71.90%. This situation has discouraged foreign investors from Investing in JB, especially in Iskandar Malaysia, terming the environment insecure.

#### **Flagship Zones in Iskandar Malaysia**

A Comprehensive Development Plan (CDP) focuses on five flagship zones within Southern Johor Economic Region (SJER) and these flagship zones are considered the key focal points for development in Iskandar Malaysia (CDP 2006-2025). They include: Flagship Zone A – Johor Bahru City Centre; Flagship Zone B – Nusajaya; Flagship Zone C – Western Gate Development; Flagship Zone D – Eastern Gate Development; and Flagship Zone E – Senai-Skudai

The sum of RM47 billion was estimated to empower the initial roll-out of the Iskandar master plan between 2006 and 2010 and a total of RM4.3 billion was allocated by the Ninth Malaysia Plan to construct the necessary infrastructures (IRDA, 2014). The first stage of investments concentrated in three flagship zones along the Straits of Johor at JB, Nusajaya, and Pasir Gudang. The purpose is to attract companies, institutions, and knowledge economy professionals (ICT industries, R&D firms, universities, professionals, etc.) to raise the value chain in SJER (A. Rizzo & J. Glasson 2012). According to IRDA, a total of RM 185 billion has been invested in this development project since its inception, and another RM 200 billion of public and private investments is required for its completion. This development project was at its peak in 2012, but it is currently developing at a slow pace; yet the IRDA team is optimistic, believing that the situation will improve soon. However, a lot of projects have been completed while some are still under construction.

According to The Economic Transformation Programme (ETP), IM plays a major role in job creation in Malaysia and will continue to create new jobs till the next two decades. Human capital is the key to the strong and sustainable growth of IM. As a result of this, the Iskandar Regional Development Authority (IRDA) collaborated with the government and other agencies to implement various motivational strategies which will develop the workers personality and improve labour productivity. Among the strategies is the introduction of Iskandar Malaysia Human Capital Blueprint (IMHCB) in 2009, with the essence of initializing, establishing and implementing training and development skills and other motivational strategies, to improve the output of Iskandar Malaysia (IRDA, 2014). Irrespective of the efforts made towards training and development of IM workers, the skilled labour shortage still remains a major concern. As a result of this, researchers have suggested that a more strategic approach should be adopted in training and development of IM workers.

### **IV. TRAINING AND DEVELOPMENT (T&D) IN AN ORGANISATION**

The only reliable source for an organization to meet to the high competitive environment is knowledge, although other factors such as labour and capital cannot be ignored. Modern business requires skilled knowledge to close the gap being created as a result of inadequate business knowledge in the formal education system. Having said this, the question remains; how can this knowledge be impacted on employees? It is obviously through continuous training and development.

Training and development (T&D) is a learning process to obtain or transfer knowledge, skills, and abilities (KSA) needed to carry out a specific activity or task. Asfaw et al.(2015) states that comprehensive training and development programs will improve the knowledge, skills and attitudes necessary to achieve organizational goals and also keeps them active in the competitive world. To ensure that workforce is equipped with the right kind of skills, knowledge and abilities, the right training and development skills should be inculcated in them. Many researchers such as Jehanzeb and Beshir (2013); Apospori, E., Nikandrou I., Brewster C., and Papalexandris N. (2008), have stressed the need for continuous training and development programs in an

organization while Cunha R., Cunha M., Morgado A., and Brewster C. (2003), have underestimated the importance of training and development, suggesting more studies to ascertain the relationship between training and organization performance. Nonetheless, strategic training and development of organization workforce cannot be neglected because its impact is highly significant in the organization performance.

## V. THE CONCEPT OF STRATEGIC TRAINING AND DEVELOPMENT

The need for strategic training and development of employee is compelling because it contributes to motivation of workers and reduction of workers turnover, thereby increasing the productivity and quality of work. For effective training and development, an organization needs to understand the circumstances surrounding the continuous learning concept. Thus it is vital to embrace the Strategic Training and Development Process (STDP) because it has been proven by Dainty et al., (2005), as the key to increasing productivity. However, this strategy is not limited to knowledge, skills, and ability, it also encourages the workforce to improve its attitude to work, promote entrepreneurship, and involve them actively in the process of decision making (Rahman, et al., 2013). The steps to adopt towards achieving a strategic training and development of employee/workforce in an organization is illustrated in the table below.

	<i>Step 1</i>	<i>Step 2</i>	<i>Step 3</i>	<i>Step 4</i>
	<i>Business Strategy</i>	<i>Strategic training and development initiatives</i>	<i>Training and development activities</i>	<i>Metrics that show value of training</i>
1	Mission	Diversify learning portfolio	Use web based training	Learning
2	Values	Improve customer service	Make training and development mandatory	Performance Improvement
3	Goals	Accelerate the pace of employee learning	Develop websites for knowledge sharing	Reduced customer complaints
4		Capture and share knowledge	Increase amount of customer service training	Reduced turnover
5				Employee satisfaction

**Table 1: Strategic Training and Development Process (STDP)**

Table 1 shows the steps to adopt towards strategic training and development of workers. The model stresses the need for management to set out clear goals, continually train workforce, and constantly measuring the impact of training on the workforce.

## VI. STRATEGIC TRAINING AND DEVELOPMENT OF IM WORKFORCE: THE WAY FORWARD

In an effort to improve productivity and develop human skills in Iskandar Malaysia, the IRDA have collaborated with Government and several other organizations, to come up with various strategies and long term plan. Among them is the introduction of the Iskandar Malaysia Human Capital Blueprint (IMHCB), which focuses on human resource development in four sub-sectors. They sub sectors include: theme parks, film & television, oil & gas (downstream), and specialist medical services (IRDA, 2014). However, the construction workforce for example has experienced little or no training plans in the blueprint and this has resulted in a lot of problems such as work delay, shortage of skilled workers, work place accident and many more. As a result of this, critics have termed the blueprint ineffective in the area of strategic training and development of Iskandar workforce. Due to this concern, IRDA collaborated with the Institute for Labour Market Information and Analysis (ILMIA), an agency under the Ministry of Human Resources, to review the Iskandar Malaysia Human Capital Blueprint to ensure that the human capital development plan and strategy is in-line with the current investment trends in Iskandar Malaysia. Apart from IMHCB, other strategies have been applied to improve the skills of IM workforce, yet the issue of low productivity still exists. Therefore there is a need for a strategic training and development of the workforce, and the management has a major role to play so that this can be achieved.

The Strategic Training and Development Process (STDP) should be adapted by Iskandar Malaysia (IM) to improve the skills of its workforce as proposed by Dainty et al., (2005). For satisfactory performance, the management of IM has to ensure that the workforce understands the business strategy, undergo adequate training for personal development and high output. Above all, the training underwent should be measured with certain metrics to ascertain its effect on workers performance which can be achieved with a balance Scorecard. Balance Scorecard is a means of measuring performance of an organization, which provides management with overall performance from the perspective of customers, employee, and shareholders. However, the management of IM is obliged to adapt the strategic flow chart because it will enable them to improve their strategy with regards to training and development, thereby increasing their productivity.

## **VII. CONCLUSION**

For IM to actualize their vision come the year 2025, the problem of skilled labour shortage should be solved. One of the ways to tackle this problem is by adapting the Strategic Training and Development Process (STDP) because it has been proven by many researchers as the key to sustainable development of IM. To achieve this, experienced managers should be employed. Once this flow chart is adapted, the issue of labour shortage could be tackled, thus improving the productivity of IM workforce.

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