

IN EDUCATIONAL EXCELLENCE

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ABSTRACT

In May 2010, Malaysia enters the list of top 10 most competitive countries in the world, sharing the top rankings with Singapore, Hong Kong, USA, Switzerland, Australia, Sweden, Canada, Taiwan and Norway. This unprecedented result clearly demonstrates the successful private/public collaborations, innovative works and government's bold initiatives that served as the foundation for a strong, stable and inclusive economic growth, despite the recent global economic slowdown. Competitiveness, in this context, is determined by the productivity with which Malaysia uses her human, capital and the other resources. In 2009, the 1.8% negative growth in Malaysia's productivity was still better than most of the OECD economies such as Sweden, United Kingdom, Japan, Italy, Finland and Germany and Malaysia's productivity level was higher among the Asian countries. The economy is poised to continue its growth momentum in 2010 with greater private/public collaborations. Malaysia's competitiveness is evaluated based on how the nation and the industries manage the set of competencies and skills to achieve prosperity and profit. Malaysia has introduced the 4 Pillars to achieve the Vision 2020, namely the 1Malaysia, People First, Performance Now economic concept, the Government Transformation Programme (GTP), the Economic Transformation Programme (New Economic Model) and the 10th Malaysia Plan (2011-2015). Challenges in managing talent include the enhancement in the eco-system, reducing gaps in talent pool, creation of high value-added jobs and promotion of investments and innovations to support high income objectives and to sustain the high income economy.

INTRODUCTION

"If we can tie productivity with innovation and creativity, the improvements in problem solving will see a quantum leap instead of just being incremental"

Y.A.B. Dato' Sri Mohd Najib Tun Abdul Razak, May 5, 2009

The Honourable Prime Minister's statement above highlighted on the needs for Malaysia to transform and innovate in the way we do businesses, so that productivity can grow in quantum leap and Malaysia will become a high income economy by 2020.

Malaysia has been recording only incremental productivity growths for the last decade as compared to the quantum leap in productivity growths by other high income economies such as USA, Australia, Canada, Singapore, Japan, Hong Kong, Korea and Taiwan. Similarly, among the Asia-Pacific countries, Malaysia's productivity reflected the trend of being "stuck in the middle", loosing the growth momentum and not reaching into the higher income group. Carrying on with this status quo is not an option but will only put Malaysia at risk of loosing its global competitiveness to the other fast growing developing nations and to the developed nations that expand into new markets.

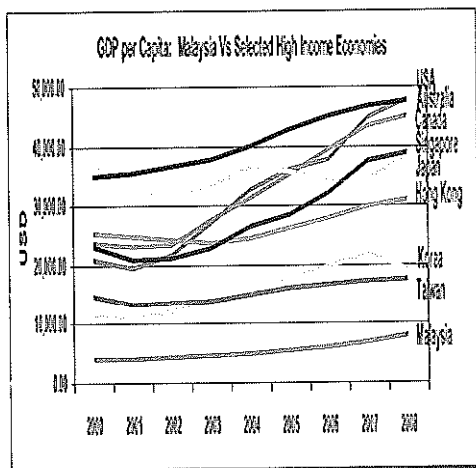


Figure 1 : GDP per Kapita : Malaysia vs Selected High Income Economies

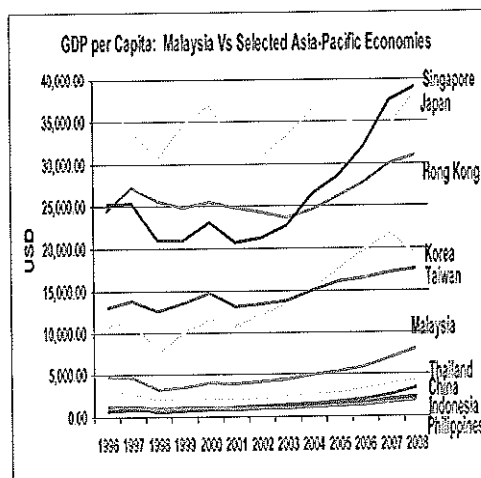


Figure 2 : GDP Per Kapita : Malaysia vs Selected Asean Pacific Economies

Malaysia is at a critical juncture in her developmental journey. Achieving high income status by year 2020 requires quantum leap growth in productivity. The imperative for change should be driven by changes in the competitiveness landscape and improvements in the management of human capital and productivity towards a high income, knowledge intensive and innovation-led economy. Competition among nations can be seen in the areas of education and know-how. Nations not only rely on products and services but they compete with brains, leveraging on the ability to develop excellent education system and to improve knowledge and talent management in their workforce.

LEADERSHIP IS...

Change can start with the individual person, recognizing one's ability to lead oneself and lead others. These are some of the criteria of a good leader:

- The willingness to put oneself at risk.
- An open mind and an open heart.
- Being dissatisfied with the current reality
- The passion to make a difference with others.
- Taking responsibilities while others are making excuses.
- Seeing the possibilities in a situation while others are seeing the limitations.
- The readiness to stand out in a crowd.
- The ability to submerge own ego for the sake of what is best.
- The capacity to care, and in caring, to liberate ideas, energy & capacities of others.
- Inspiring others with a vision of what they can contribute.
- Evoking in others the capacity to dream.
- The power of one harnessing the power of many.
- The heart speaking to the hearts of others.
- The integration of heart, head, and soul.
- The dream made reality.
- Leadership is, above all, courage

THE 10TH MOST COMPETITIVE COUNTRIES IN THE WORLD

Competitiveness of Malaysia is defined as the degree to which Malaysia can produce goods & services which meet the test of international markets, out-performing others, while the people earn a standard of living that is both rising and sustainable over the long-run. The competitiveness model describes how Malaysia and her enterprises are in the "business" of managing a set of competencies and skills to achieve prosperity for the nation and profit for the enterprises. The competitiveness ranking provides a frame of reference to assess how Malaysia manages her economic future, measuring the contributing factors like the economic performance, government efficiency, business efficiency and infrastructure.

ECONOMIC PERFORMANCE <ul style="list-style-type: none"> • Domestic economy • International trade • International investment • Employment • Prices 	BUSINESS EFFICIENCY <ul style="list-style-type: none"> • Productivity • Labour market • Finance • Management practices • Attitude and values
GOVERNMENT EFFICIENCY <ul style="list-style-type: none"> • Public finance • Fiscal policy • Institutional framework • Business legislation • Societal framework 	INFRASTRUCTURE <ul style="list-style-type: none"> • Basic infrastructure • Technological infrastructure • Scientific infrastructure • Health and environment • Education

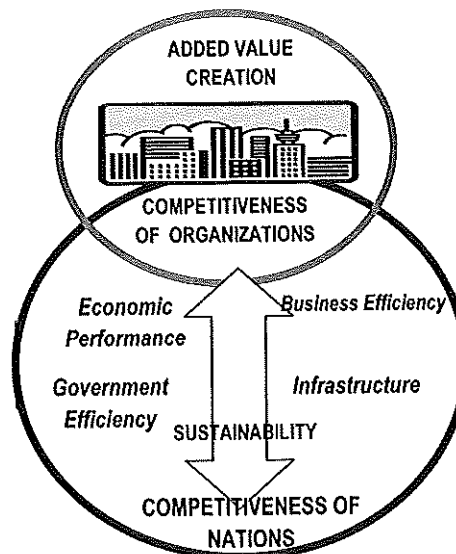


Figure 3 : Contributing Factors of Economic Ranking

For the first time, Malaysia has earned a position among the 10 most competitive countries in the world, as published in the World Competitiveness Yearbook 2010 (WCY) by the Swiss-based Institute for Management Development (IMD). With an index score of 87.228, Malaysia joined the ranks of the most competitive countries in the world, sharing the top 10 rankings with Singapore, Hong Kong, USA, Switzerland, Australia, Sweden, Canada, Taiwan and Norway.

Table 1 : World Competitiveness Yearbook 2010: Overall Ranking

Countries	WCY 2010 (n= 58 economies)		Countries	WCY 2010 (n= 58 economies)	
	Rank	Index Score		Rank	Index Score
Singapore	1	100	Iceland	30	65.067
Hong Kong	2	99.357	India	31	64.567
USA	3	99.091	Poland	32	64.482
Switzerland	4	96.126	Kazakhstan	33	63.418
Australia	5	92.172	Estonia	34	62.641
Sweden	6	90.893	Indonesia	35	60.745
Canada	7	90.459	Spain	36	58.752
Taiwan	8	90.441	Portugal	37	57.096
Norway	9	89.987	Brazil	38	56.531
Malaysia	10	87.228	Philippines	39	56.526
Luxembourg	11	86.867	Italy	40	56.320
Netherlands	12	85.650	Peru	41	54.178
Denmark	13	85.587	Hungary	42	54.124
Austria	14	84.085	Lithuania	43	54.098
Qatar	15	83.828	South Africa	44	54.092
Germany	16	82.730	Colombia	45	53.890
Israel	17	80.327	Greece	46	52.304
China Mainland	18	80.182	Mexico	47	51.481
Finland	19	80.002	Turkey	48	51.119
New Zealand	20	78.531	Slovak Republic	49	51.092
Ireland	21	78.144	Jordan	50	49.642
United Kingdom	22	76.808	Russia	51	49.318
Korea	23	76.249	Slovenia	52	48.689
France	24	74.372	Bulgaria	53	47.756
Belgium	25	73.586	Romania	54	47.481
Thailand	26	73.233	Argentina	55	46.935
Japan	27	72.093	Croatia	56	40.056
Chile	28	69.669	Ukraine	57	39.948
Czech Republic	29	65.443	Venezuela	58	27.97

Source: World Competitiveness Yearbook 2010, IMD, Switzerland.

Even though Malaysia is now among the top ten competitive nations, Malaysia needs to continuously strive to sustain this competitive achievement. This is particularly important in the context of achieving high income economy status by 2020. Since the last quarter of 2009, Malaysia's economy has been growing at a faster pace than expected due to the combination of government's spending, a lower inflation rate and accommodative monetary policy that helped boost domestic demand. The growth momentum has continued into the first quarter of 2010 with GDP growth of 10.1%.

Table 2 : Malaysia's Competitiveness Ranking

By Category							
Overall Global Ranking		Asia-Pacific Region		Countries with GDP per Capita less than USD20,000		Population greater than 20 million	
2010 (n=58)	2009 (n=57)	2010 (n=13)	2009 (n=13)	2010 (n=30)	2009 (n=29)	2010 (n=29)	2009 (n=29)
10	18	5	6	2	1	5	6

Source: World Competitiveness Yearbook 2010, IMD, Switzerland, (n=nos. of economies)

Table 3 : Malaysia's Competitiveness Ranking's Sectors and Sub-factors

By Competitiveness Factors and Sub-Factors					
Competitiveness Factors & Sub-Factors	Malaysia's Overall Ranking	World Highest Ranking	Competitiveness Factors & Sub-Factors	Malaysia's Overall Ranking	World Highest Ranking
Economic Performance	8	USA	Business Efficiency	4	Singapore
Domestic Economy	30	USA	Productivity & Efficiency	27	USA
International Trade	4	Hong Kong	Labour Market	4	Singapore
International Investment	22	Hong Kong	Finance	9	Hong Kong
Employment	18	China	Management Practices	1	Malaysia
Prices	10	Qatar	Attitude and Values	1	Malaysia
Government Efficiency	9	Hong Kong	Infrastructure	25	USA
Public Finance	15	Hong Kong	Basic Infrastructure	16	Norway
Fiscal Policy	8	Hong Kong	Technical Infrastructure	19	USA
Institutional Framework	7	Singapore	Scientific Infrastructure	27	USA
Business Legislation	19	Singapore	Health and Environment	34	Sweden
Societal Framework	27	Norway	Education	33	Finland

In both the Government and Business Efficiency ratings, Malaysia's performance is now ahead of developed countries such as Luxembourg, Switzerland, Canada, Denmark and Sweden. This unprecedented result is clearly rooted in the innovative and bold initiatives

the government has undertaken this past year to drive development and economic growth and create a resilient private sector, despite the recent slowdown of the global economy. This is a result that demonstrates how public/private collaboration works and serves as a foundation for strong, stable and inclusive growth.

Table 4 : Malaysia transforming towards Innovation-driven economy

Stage 1 Factor-Driven	Transition	Stage 2 Efficiency- Driven	Transition	Stage 3 Innovation-Driven	
Bangladesh	Brunei	Argentina	Bahrain	Australia	Italy
Cambodia	Darussalam	Armenia	Chile	Canada	Japan
India	Egypt	Brazil	Croatia	Denmark	Korea, Rep
Mongolia	Georgia	China	Hungary	Finland	Netherlands
Pakistan	Indonesia	Jordan	Russian	France	New Zealand
Philippines	Saudi Arabia	Malaysia	Turkey	Germany	Singapore
Sri Lanka		Mauritius		Greece	Sweden
Vietnam		South		Hong Kong	Switzerland
		Africa		Ireland	Taiwan, China
		Thailand		Israel	United
		Ukraine			Kingdom
					USA

Source: Global Competitiveness Report 2009-2010, World Economic Forum, Geneva

**Table 5 : Malaysia in Doing
Business 2010**

Doing Business 2010	Ranking
Starting a Business	88
Dealing with licenses	109
Employing workers	61
Registering property	86
Getting Credit	1
Protecting Investors	4
Paying taxes	24
Trading across borders	35
Enforcing contracts	59
Closing a business	57

Source: Doing Business 2010, World Bank

**Table 6 : Malaysia in
Global Rankings**

International Report	Ranking
IMD World Competitiveness Yearbook 2010	10 /58
Global Competitiveness Report 2009- 2010	24 /133
Doing Business 2010	23 /183
Global Services Location Index 2009	3 /50
Globalization Index 2010	35 /181
Global Information Technology Report 2009-2010	27 /133
Global Gender Gap 2009	100 /134

Malaysia must address the following challenges to sustain her global competitiveness:

- Continuously improve government delivery system to facilitate business
- Strengthening the economy through high quality investment
- Grooming small and medium-sized enterprises for global competition
- Continuing to intensify life-long learning and nurture talented workforce
- Driving productivity and competitiveness through creative and innovative mindset



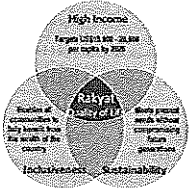

Vision 2020			
 <p>Preservation and enhancement of unity in diversity</p>	 <p>Effective delivery of government services</p>	 <p>New Economic Model – A high income, inclusive and sustainable nation</p>	 <p>Smooth implementation of government's development programmes</p>
<p>1Malaysia People First, Performance Now</p> <p>April 2009</p>	<p>Government Transformation Programme (GTP)</p> <p>6 NKRAs</p> <p>January 2010</p>	<p>Economic Transformation Programme (ETP)</p> <p>SRIs & NKEAs</p> <p>Q4 2010</p>	<p>10th Malaysia Plan Macroeconomic growth targets and expenditure allocation</p> <p>June 2010</p>

Figure 4 : The 4 Pillars Of Malaysia's Transformation to Achieve Vision 2020

Vision 2020 can be achieved through economic, social and government transformation, and the 4 Pillars above have been introduced to drive change and transformation in Malaysia. The 6 National Key Results Areas (NKRAs) selected in the Government Transformation Programme (GTP) are linked to the 1Malaysia, People First, Performance Now concept to strengthen government delivery services. They are the national priorities in (i) reducing crime, (ii) fighting corruption, (iii) widening access to quality and affordable education, (iv) raising living standard of low income households, (v) improving infrastructure in rural areas, and (vi) improving urban public transport.

The Economic Transformation Programme (ETP) will use the New Economic Model (NEM) to propel Malaysia to become an advanced nation with inclusiveness and sustainability in 2020.

The 8 Strategic Reform Initiatives (SRIs) in NEM are (i) Re-energising the private sector, (ii) Developing quality workforce and reducing dependency on foreign labour, (iii) Creating a competitive domestic economy, (iv) Strengthening of the public sector, (v) Transparent and market friendly affirmative action, (vi) Building the knowledge base infrastructure, (vii) Enhancing the sources of growth, and (viii) Ensuring sustainability of growth.

The 10th Malaysia Plan will drive transformation by leveraging on these 10 Big Ideas:

(i) Internally drive, externally aware, (ii) Leveraging on diversity internationally, (iii) Transforming to high-income through specialization, (iv) Unleashing productivity-led growth and innovation, (v) Nurturing, attracting and retaining top talent, (vi) Ensuring equality of opportunities and safeguarding the vulnerable, (vii) Concentrated growth, inclusive development, (viii) Supporting effective and smart partnership, (ix) Valuing environmental endowments, and (x) Government as a competitive corporation.

PRODUCTIVITY PERFORMANCE OF MALAYSIA

In 2009, Malaysia's 1.8% negative growth in productivity was better than some of the Organisation for Economic Cooperation Development (OECD) economies such as Sweden, United Kingdom, Japan, Italy, Finland and Germany. Only the USA, Ireland and Korea registered positive growth. Among the Asian countries, Malaysia's productivity level was higher than Thailand, China, the Philippines, Indonesia and India. The economy is poised to continue its growth momentum in 2010 with greater public/private involvement and collaborations.

Competitiveness is determined by the productivity with which a nation uses its human, capital and other resources. Nations compete in offering the most productive environment for business. The public and private sectors play different but interrelated roles in creating a productive economy. The Total Factor Productivity (TFP) would be the main driver for quantum leap growth in productivity. TFP enhancement includes developing human capital capabilities through knowledge-based activities, inculcating a creative and innovative mindset, as well as adopting new technologies and innovation to accelerate quantum leap growth in productivity. Talent management is the key issue but the present Malaysian workforce and jobs are not conducive for this growth.

TALENT AS THE MOST IMPORTANT SOURCE OF COMPETITIVE ADVANTAGE

More than 80% of the workforce only has SPM education as compared to the percentage of tertiary educated workers in the high income countries. In 2007, Malaysia recorded only 25% of workforce in the skilled, management and professional jobs, and this is lower than the proportions of highly skilled jobs in Korea, Taiwan and Singapore. Dominance of low skilled jobs is seen across in almost all types of industries in Malaysia, thus inferring the urgent needs to upgrade these skills to move up the value chain.

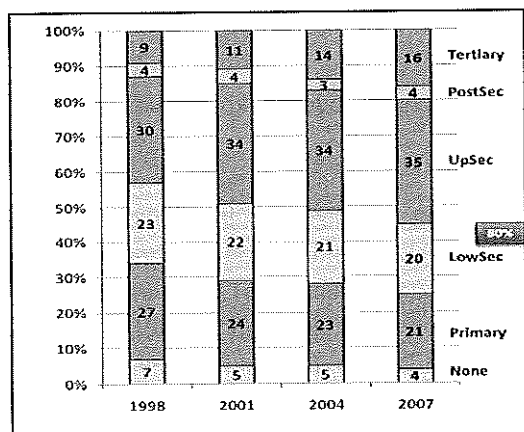


Figure 5 : Education Background of Malaysian Workforce

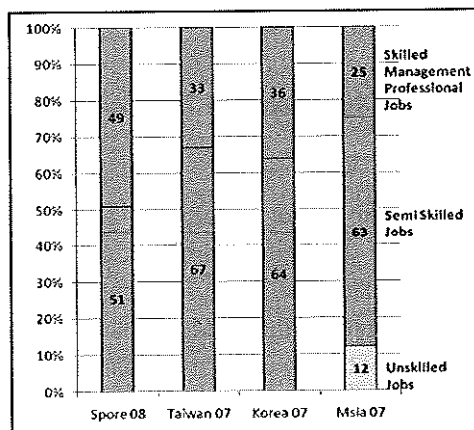


Figure 6 : % of Unskilled, Semi Skilled, and Skilled management Profesional Jobs of Malaysia Compared to Singapore, Taiwan and Korea

Talent management is an integrated effort in recruiting, developing and retaining talents. Challenges in managing talents include efforts to:

- Enhance the eco-system, composition of human resources and type of jobs to support the high income objectives.
- Create more jobs in high value-added products & services to sustain the high income economy
- Promote higher investments and innovations to complement the appropriate talent pool in generating high value-added jobs.
- Reduce the gaps in talent pool through training and development of advanced skills and expertise, active policies and programmes on Brain-gain and effective talent management.

BEST PRACTICES IN EDUCATIONAL EXCELLENCE

Enhancing the individuals and organizations productivity through the following thrusts:

- Productivity Thrust 1:** Continuous upgrading of quality workforce through building of workers capabilities in critical thinking, thinking skills, positive mindset and right attitude.
- Productivity Thrust 2:** Enhancing effective application of productivity and quality systems throughout the value chain.
- Productivity Thrust 3:** Continuous investments in technology and R&D to further improve productivity and competitiveness.
- Productivity Thrust 4:** Strengthening infrastructure support services to accelerate productivity growth.
- Productivity Thrust 5:** Intensify the adoption of best practices and conformance to international requirements.
- Productivity Thrust 6:** Promoting the culture of excellence as a way of life.

Development of a Knowledge-based Workforce (K-workers)

Develop K-workers who can understand and move effortlessly from data to information to knowledge and to wisdom. A K-worker is someone who:

- Looks for data and information from more sources than ever before.
- Is not intimidated by the remoteness, cost and complexity of the source.
- Is capable of critical thinking and analysis of the validity of the source.
- Able to synthesize and formulate an acceptable position which can be defended with some comfort and certainty.
- Is willing and able to integrate his/her knowledge into all aspects of personal and professional activities and will contribute fresh insight to an ever expanding pool of information and knowledge, so that others can benefit from his/her efforts and experiences.

Talent Management for Global Competitiveness

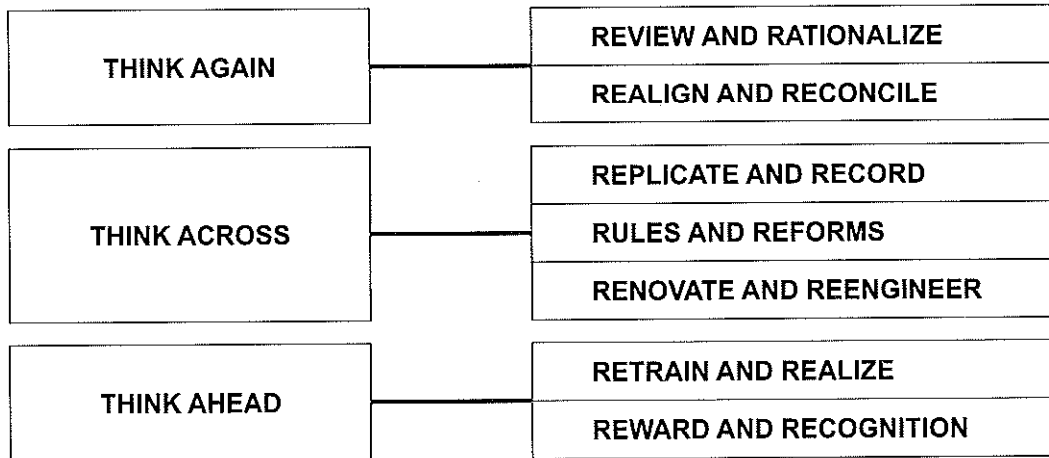
Wisdom is knowing what to do next,

Skill is knowing how to do it, and

Virtue is doing it right the first time

- Instil the ability to learn, unlearn and relearn
- Vary the sources for learning
 - Make jobs challenging (stretch assignments, turnaround projects)

- Learn from others (coaches, mentors)
- Enhance experiences (development program, further education, volunteer work)
- Identify leaders competencies (critical in meeting business challenges)
- Be supportive of individual's development



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