
What the Private Sector needs... Making the most of Cambodia's Human Resources

Your Excellencies, ladies and Gentlemen,

As the managing director of Cambodia's leading HR Services Agency and also representing the Cambodian Federation of Employers and Business Associations (CAMFEBA) as Vice President, I am pleased to share with you today reflections and realities of working on Employer Needs and what CAMFEBA is doing to address "Making the most of Cambodia's Resources" under our Youth Employment Project. I hope to provide with some practical insights into the employment market today – not only the challenges we face as employers but also to look at practical solutions to address these challenges.

In our consulting division at HRINC, we have been running private sector, not-for-profit and moving towards industry specific salary surveys over the past 3 -4 years and within our operations we provide recruitment services to all industries in Cambodia. We regularly meet with clients to discuss their challenges relating to Human Resources – whether the function or the human capital of their organizations.

Importantly I would like to point out that what I am presenting today does not only represent private sector needs. The private sector is growing and dynamic – but the challenges that private sector face regarding skills and employment, extend too, to our not-for-profit clients, SME's, Government organizations and anyone who EMPLOYS someone. They are EMPLOYER challenges.

Slide 1: What do employers need when it talk about human capital? Simply we could say

1. sufficient supply
2. reduced risk
3. reasonable costs for the skills brought to the table
4. productivity and
5. a relatively good idea of what you are getting when you employ someone
6. a certain commitment and loyalty towards the employer for the efforts we put in to engage, train and develop our work forces – whether unskilled, semiskilled or professional!

Slide 2: What do we need also implies looking at the problems or challenges. There are many challenges we face as employers, but in that, great opportunities. At present and from our experience recruiting we can say the following:

1. Sufficient supply – There are a lot of youth and not enough skills
 - a. There is not a sufficient supply of Cambodian Management resources or technical resources – specific skills referring to positions like Quality Control, Programme, Architecture, Project Management etc.
 - b. This directly impacts vocational training, enhanced university education, ongoing professional development, re-skilling and upskilling our work force
2. Reasonable cost, Reduced Risk and loyalty
 - a. Reduced risk is closely linked to the commitment and loyalty of employees – in the current market, employers face risks and challenges in retaining their employees that they have trained up and spent time, money and resources doing so! Our return on investment – not always what we hope it to be!
 - b. We are not always paying for the skills in the market, we are often paying for the lack of supply. I will discuss this in more detail when I talk about salaries which too impacts reasonable costs of the workforce.
3. Productivity – The Garment Industry Productivity Centre has done studies in the garment sector and it is clear that we need to build the productivity of our workforce – not only for employers, but for the well being and balanced life styles of our workforce.
 - a. Commitment, dedication and passion for WHAT you do rather than come to work to get a salary at the end of the month – is a frequent comment of employers.
4. A relatively good idea of what we are getting?
 - a. Employers don't have a good idea – certificates and certification remain largely simply that – a certificate.
 - b. Certificates are not associated with prestige, actual skill, they give employers indications of what job seekers have pursued but we know that they do not reflect the actual ability of the job seeker.
 - c. This increases the cost of finding staff – significantly.
 - d. Accreditation that is meaning and links skill and abilities needs to be accelerated as a priority
 - e. Continued development training needs to be meaningful and accredited

Slide 3: I am optimistic and passionate about people – and as many challenges as they are – there is opportunity knocking at our doors! What we need to do is accelerate our efforts in an increasingly competitive and diversifying economy to ensure that our human resources can adapt. Importantly we need

1. closer coordination amongst industries in our employment sectors
2. closer coordination between stakeholders in Cambodia's resources
 - a. universities and employers,
 - b. employers and government and
 - c. employers and the workforce etc.
3. Increased transparent information sharing through appropriate confidential challenges given the sensitive nature of people data and information. This extends also to the appropriate use and dissemination of data.
4. Appropriate KNOWLEDGE Management of our resources – whether data or people

CONSIDER THIS: RECRUITING GRADUATES

Slide 6 – 14: Go through on the slides....

This is one interview – and not an insulated interview but reflective, I would say, of the majority of university interviews we do. Some of you may have heard “Everyone wants to be a manager” before, and I use it again, because it is powerful in its message as I continue to get the same response today.

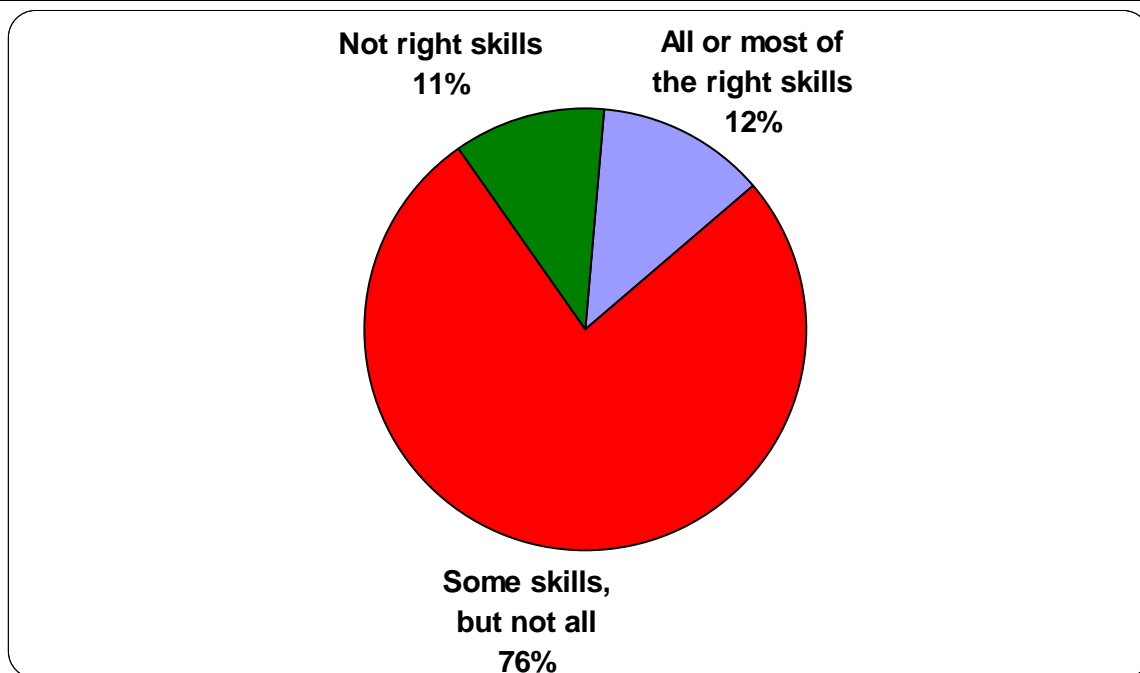
Slide 15: Youth do not have sufficient access to information about jobs and careers! They need access to knowledge and industry information. They need access to employers and the job market.

For employers we need to spend a significant amount of time recruiting and sifting through CVs and interviewing people to **know what we are getting**. The example I provided – was an MBA student from what we categorise as a leading university. Certificates relating to education and training courses are still one of the last things that employers look at when they are recruiting. Why? Because certificates do not represent the skills that job seekers may have. We need to meet job seekers, and in that take a risk based on the covering letter and motivations to find the right skills at the right time.

We need to be build closer links with universities.

The Cambodian Federation of Employers and Business Associations launched a Youth Employment programme in 2007. We are currently conducting research on Youth and employers. Their research is due to be completed in March and I will share with you today, preliminary results from employers as to what they think and what they find difficult to find.

Employers feel that 76% of university graduates come out of university with some relevant skills but they spend a significant amount of time and resources training new graduates to be productive in the work place.

**Slide 17:****Consider this statement from a manufacturing firm**

When I ask my a foreign supervisor to solve a challenge, I know that the challenge will be solved and the possibly consequences of the challenge. When I ask my Cambodian supervisor to solve the challenge, I have to follow up myself to ensure that the challenge is solved but no new challenge is created!

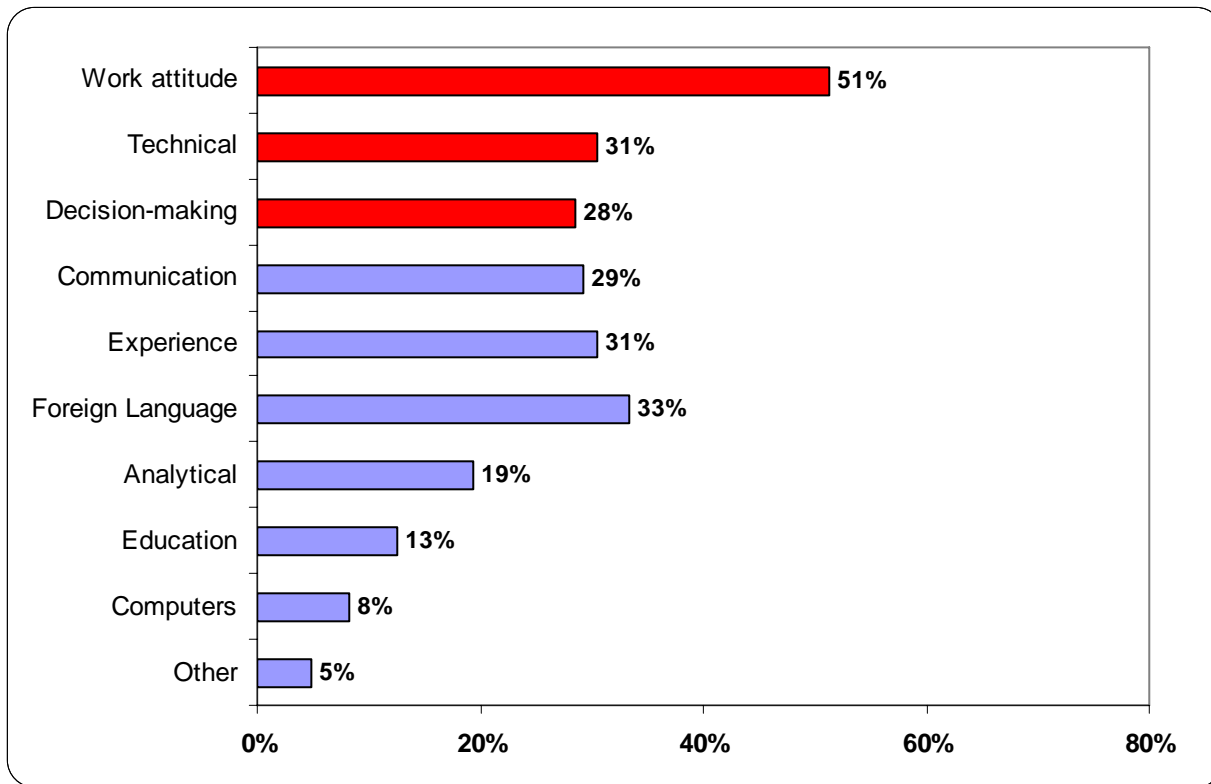
Successful Cambodian Entrepreneur – Travel, Tourism sector

“I have to hire an expatriate now as I’m spending too much time following up on my Cambodian staff and they are not solving basic challenges – HOW do I get them to think proactively instead of just do what I say! I cannot find this in any of the CV’s I’ve interviewed?” I am Cambodian but what can I do!

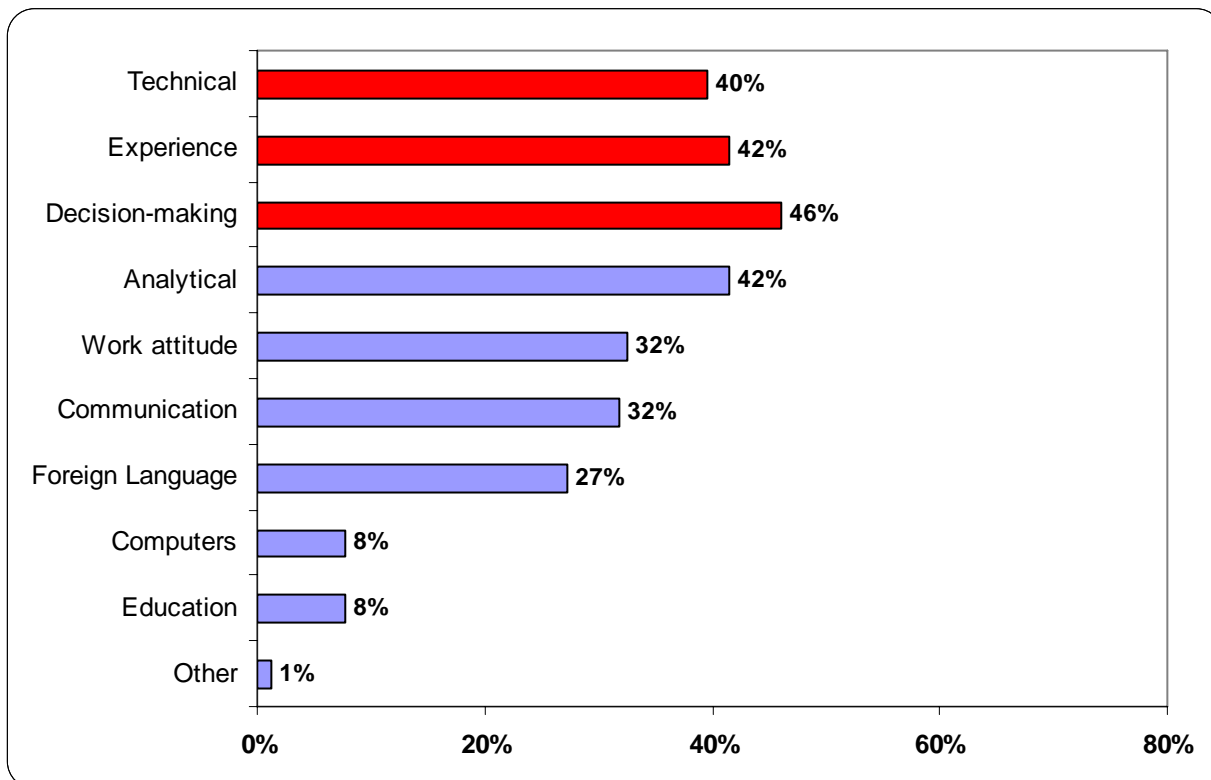
This is not an isolated statement and employers, both Cambodian and foreign face the same challenges.

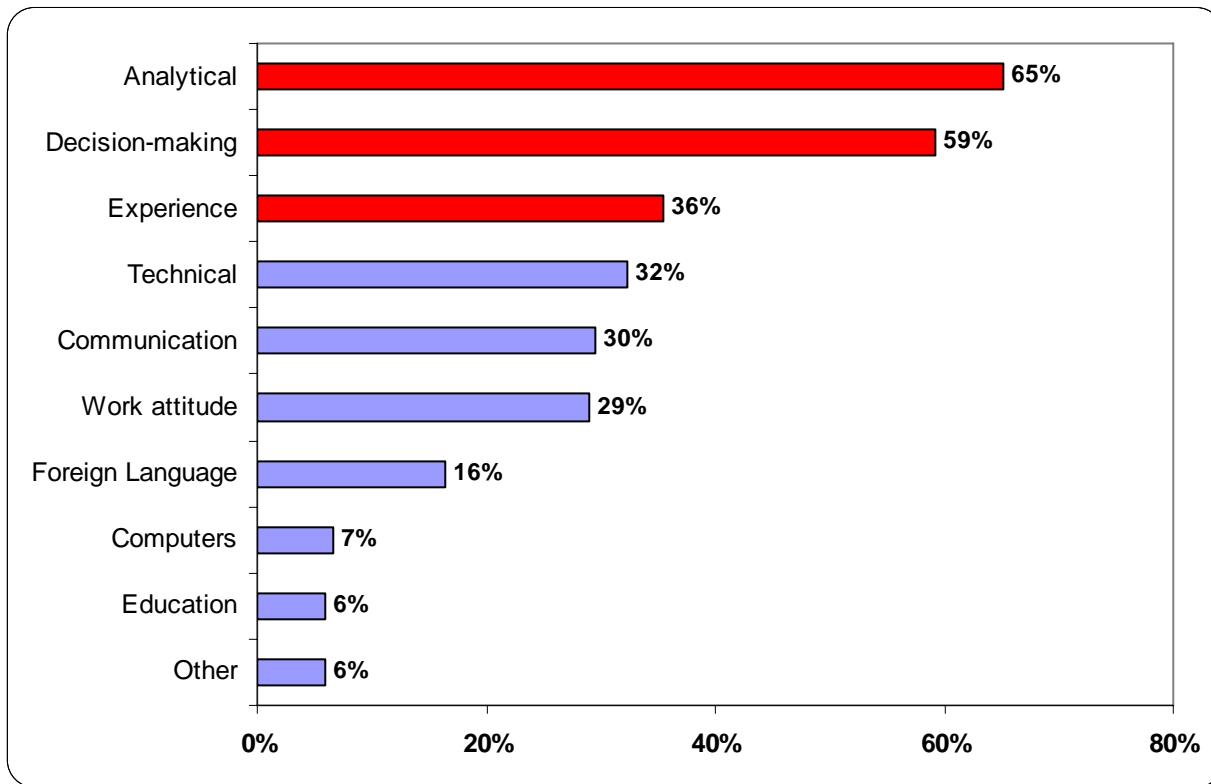
The preliminary results from the YEP research show the following are the challenges and skills employers find difficult to find:

Slide 18: Unskilled work force – difficult skills to find



Slide 19: Specialised work force – difficult skills to find – preliminary results



Slide 20: Professional work force – difficult skills to find – preliminary results**Lastly I will speak about Salaries:**

Consider this scenario and 2007 was a challenge for many employers to find resources at the right salary levels or retain their resources

SLIDE 21:

- **A client was seeking to recruit a dynamic Human Resource Professional who could potentially fill a management position in the future. A management job description was used to seek the core competencies and priority skills for the client.**
- **We found a great candidate – the client was happy to eventually, after 6 months of searching for a manager with no success, be able to recruit a dynamic young professional.**
- **The current salary of the employee: 250.**
- **The requested salary of the employee: 600 for the job description as he had to put in a lot of effort as he didn't have all the skills.**
- **The eventually agreed on 500.**
- **The employee started work and a month later left for 800 dollars as a General Manager!**

This example is again not isolated but shows that employers are not always paying for skills that they receive, but for the lack in supply or inability to access the supply

SLIDE 22: Risk, return on investment, loyalty, ability to keep abreast the market trends and salaries being proposed – Human Resources as a function is becoming more and more strategically important by the day.

- **Employers need to focus on HR as a strategic division of their operations**
 - **set internal standards**
 - **build career path and professions and long term vision and earnings for staff!**
 - **Keep abreast market trends**
- **It's no longer feasible, just to provide a job – we need to do more to retain our staff.**

Slide 23: Salary Scale

Slide 24: Current initiatives trying to collect data to inform stakeholders and policies

For the first time, the Cambodian Employers Federation will release actual results about Youth and Employers, a very few of which I have presented here today. This is ground breaking research because it confirms what employers are saying and have been saying all along.

The HRINC salary surveys continue to gain momentum and size as employers understand the value of data and mechanisms put in place to protect their data.

Slide 25: The future is in our hands

- **Closer coordination amongst industries in our employment sectors**
- **Closer coordination between stakeholder in Cambodia's resources**
 - **Universities and employers**
 - **Employers and government**
 - **Employer and the workforce**
- **Increase Transparent information sharing through appropriate confidential challenges given the sensitive nature of people data and information**
 - **Appropriate use and dissemination of data**
- **Appropriate KNOWLEDGE Management of our resource – whether data or people**

Slide 26: The future is in our hands

- **Education and training a priority**
 - **Address market needs**
- **Vocational Training**
 - **Refreshing skills**
 - **Up and cross-skilling of unskilled and semi skilled workers**
- **Professional Development**
 - **Refreshing skills**
 - **Developing skills**
- **CERTIFICATION!**