

## **Towards knowledge economy: deficiencies in the HRD system and major challenges in HRD practice in manufacturing firms**

### **ABSTRACT**

In its transformation to achieving knowledge economy status, the government of Malaysia has provided various supports and initiatives towards human resource training and development. This is to ensure that employees in manufacturing firms are provided with the necessary skills, knowledge, capability and expertise to be called knowledge-workers. However, in attempting to achieve these objectives, manufacturing firms were faced with deficiencies in the Human Resource Development (HRD) system and challenges in HRD practices. In examining these deficiencies and challenges, a mixed-method combining questionnaire survey and personal interviews with Human Resource (HR)/HRD managers was employed. The findings revealed that HRD in the manufacturing sector in Malaysia is faced with the challenge of coping with the demand for a knowledgeable and competent workforce, that includes hiring and retaining technical expertise, the education level of employees and the increase in the ageing workforce. These challenges and the various deficiencies in the HRD system are observed to have resulted from lack of professional and intellectual HRD expertise. This has implications for the continuous development of human resources, as well as for the development of knowledge-workers.

**Keyword:** HRD; Knowledge-workers; Training and development; Deficiencies and challenges; Manufacturing firms