# THE SOCIETY OF HUMAN RESOURCE MANAGEMENT & PRODUCTIVIY: ADDRESSING THE PRIVATE SECTOR SKILLS GAP IN CAMBODIA'S MIDDLE AND SENIOR LEVEL MANAGEMENT

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A capstone project submitted to Johns Hopkins University in conformity with the requirements for the degree of Master of Arts in Public Management

Baltimore, Maryland July, 2015

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#### Abstract

The ASEAN Economic Community is set to come into full effect by the end of 2015. What this means is that there will be a free flow of skilled labor throughout the 10 ASEAN member states. For Cambodia, a country that is already facing a major skills gap, especially with its middle and senior level management, it will have to compete with skilled labor from 9 member states.

Policy and political analysis will be used to examine data from publications in major newspapers in Cambodia and abroad, research from the major think tanks, international organizations, non-government organizations, conferences, surveys, and websites from Ministries of The Royal Government of Cambodia, in order to see whether funding a private training will address the skills gap in middle to senior level management.

The results show mixed support and opposition for funding a private training company to train other businesses since many companies already have training departments. At the same time, small and medium enterprises still lack the capacity have their own training departments, and would benefit from training services.

Despite the pros and cons for funding a private company to train middle to senior level managers, it is evident that training is needed. Although the effects of training cannot be easily measured, studies show that investing in training has a positive impact on the company. Funding is necessary by the government in order to bolster support especially for small and medium enterprises that cannot afford training for their middle and senior level managers.

Capstone Advisor: Professor Weinstein, Johns Hopkins University

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**To**: The National Training Board of the Royal Government of Cambodia

From: Jimmy Srun, HRM Training Manager, The Society of Human Resource

Management & Productivity

**RE:** Funding or grants to provide training to middle and senior level

management from private companies operating in the Kingdom of

Cambodia.

# **Action Forcing Event**

According to the Financial Times, The Association of Southeast Asian Nations (ASEAN) will be implementing its economic integration by the end of December 2015. 
ASEAN is composed of 10 member states including: Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand, and Vietnam. 
The ASEAN Economic Community (AEC) is an initiative that will change "ASEAN into a region with the freer movement of goods, services, investments, skilled labour, and the freer flow of capital."

The AEC is an ambitious goal for ASEAN and it has created some challenges for the economic integration, especially for Cambodia, a country that is facing an alarming skills gap with its work force. As the deadline for the integration nears, Cambodia's labor force faces a major challenge ahead to maintain its competitiveness with the work force of other ASEAN member states.

<sup>&</sup>lt;sup>1</sup> Brennan, Hugo. "Guest post: rocky road ahead for the Asean Economic Community." *Financial Times*. March 13, 2015. http://blogs.ft.com/beyond-brics/2015/03/13/guest-post-rocky-road-ahead-for-asean-economic-community/ (accessed April 1, 2015).

<sup>&</sup>lt;sup>2</sup> ASEAN Member States. n.d. http://www.asean.org/asean/asean-member-states (accessed April 01, 2015).

<sup>&</sup>lt;sup>3</sup> ASEAN Economic Community. n.d. http://www.asean.org/communities/asean-economic-community (accessed April 01, 2015).

#### **Statement of the Problem**

Cambodia has made remarkable strides in economic development over the past two decades. The country has a lower-middle-income status per capita of roughly 1000 USD. The Royal Government of Cambodia has a target for upper-middle-income which is a per capita of 4000 USD by 2030, and for high-income per capita at 12,000 USD by 2050. However, it is widely agreed by the government, private sector, and development experts that Cambodia faces a major challenge in achieving its target due to the emerging skills gap with its work force. Due to the skills gap, senior management positions for companies are listed as hard-to-fill. A recent study stated that if Cambodia wants to maintain 6-8% of GDP growth from now until 2020, it needs 35,000 engineers and 46,000 technicians (JICA 2012, cited in Cambodia's Skill Gap: An anatomy of Issues and Policy Options). Not only are technical skills in demand in Cambodia, soft skills which are people skills are needed as well since Cambodia is developing its tourism and service industries. Soft skills are needed as all levels of a business, from basic communication skills, to managerial skills.

The World Bank defines skills by using a three-dimensional approach: cognitive, technical, and social and behavioral (World Bank 2013,8 cited in Cambodian Education 2015: Employment and Empowerment). These three skills are required at varying levels in order for workers to carry out their tasks. Cognitive skills deal with understanding complex concepts, reasoning, experiential learning, and problem solving. Technical skills refer to manual dexterity, specialized knowledge such as: science, engineering, medicine,

<sup>4</sup> Sothy, Khieng, Srinivasa Madhur, and Chhem Rethy. *Cambodia Education 2015: Employment and Empowerment*. Phnom Penh: Cambodian Development Resource Institute, 2015.

<sup>&</sup>lt;sup>5</sup> MADHUR, Srinivasa. *Cambodia's Skill Gap: An Anatomy of Issues and Policy Options*. Phnom Penh: CDRI, 2014.

economics, finance, accounting, sociology, and political science. Social and behavioral skills refer to soft skills, social skills, life skills, and personality traits (World Bank 2013, 8 cited in Cambodian Education 2015: Employment and Empowerment). In Cambodia, the skills gap encompasses all three dimensions and across the entire labor pool, from low, to medium, and high skilled workers.

In a survey done by HRInc in 2011, over 70% of employers reported a shortage in management skills (HRINC 2011 cited in Cambodia Education 2015: Employment and Empowerment). The biggest skills shortage that Cambodia faces is centered on senior management.

The World Bank conducted a survey in 2013 and interviewed 472 firms in the manufacturing industry, tourism industry, and agro-processing industry, and 27% of the firms stated that an inadequately educated workforce was a constraint on the operations (World Bank 2013 cited in Cambodian Education 2015: Employment and Empowerment).<sup>8</sup>

The International Labor Organization conducted a survey based on employer skills needs in order to analyze the skills shortages and gaps. There were more than 500 establishments that took part in the survey from the sectors of: food and beverage, garments, apparel and footwear, rubber and plastics, finance and insurance, accommodation, and construction. The survey asked questions pertaining to skills gaps, skills shortages, difficulties in recruiting, and hard-to-fill vacancies. There were 126,315 employees sampled throughout the industries. In the survey, only 2.9% of the sample,

<sup>&</sup>lt;sup>6</sup> Sothy, Khieng, Srinivasa Madhur, and Chhem Rethy. *Cambodia Education 2015: Employment and Empowerment*. Phnom Penh: Cambodian Development Resource Institute, 2015..

<sup>&</sup>lt;sup>7</sup> Ibid.,11.

<sup>8</sup> Ibid.,11.

held managerial positions. Out of the total establishments, 55% reported that employees did not meet requirements for the job. And three-quarters of the establishments stated that their vacancies were hard-to-fill.<sup>9</sup>

The Cambodian labor force faces a major problem, when its workforce will have to compete with the flow of skilled labor from 9 additional ASEAN member states. The freer flow of higher skilled workers will not only force higher qualified jobs in the region to be ruled by the more developed ASEAN countries, but it will make the unskilled and low skilled workers experience competition from medium skilled workers who cannot compete with higher skilled workers from abroad. The United States Ambassador to Cambodia, William Todd, stated that "...Cambodians must improve their labor skills... if the workers are not skilled, and if they are not capable of getting higher skill jobs and higher paying jobs, Cambodians will be in low-paid, low skill jobs." Not only is the skill gap a problem for the Royal Government of Cambodia and businesses, but for the people of the country as well.

# History

#### **History of Cambodia:**

Cambodia gained its independence from France in 1953. It enjoyed relative peaceful times under King Norodom Sihanouk, but it was not long before the war in

<sup>&</sup>lt;sup>9</sup> Bruni, Michele, Likanan Luch, and Somean Kuoch. *Skills shortages and skills gaps in the Cambodian Labour Market: Evidence from employer skills needs survey*. Bangkok: International Labour Organization, 2013.

<sup>&</sup>lt;sup>10</sup> Santoso, Anisa. "Workers in ASEAN: A race to the bottom again?" *Jakarta Post*. March 27, 2015. http://www.thejakartapost.com/news/2015/03/27/workers-asean-a-race-bottom-again.html (accessed April 05, 2015)

<sup>&</sup>lt;sup>11</sup>Kong, Sothanarith. "US Ambassador Advises More Labor Skills as Asean Integrates." *Voice of America*. November 08, 2013. http://www.voacambodia.com/content/us-ambassador-advises-more-labor-skills-as-asean-integrates/1785729.html (accessed April 04, 2015)

Vietnam had crossed into Cambodia, creating a surge in political instability. In 1975, Cambodia faced the most atrocious genocide known to man. The Khmer Rouge sieged control and turned the country into a vast concentration camp, where people were forced to do strenuous farm labor from morning until night. Over one quarter of its population died during this period through executions, disease, famine, and malnourishment. Most of the educated class died during this period because the Khmer Rouge did not want an educated class to influence its utopian communist society. In 1979, the Vietnamese invaded Cambodia, ending the genocide. War continued in Cambodia between the Vietnamese and Khmer Rouge following the invasion. 12

Between the years of 1975 to 1979, the labor force of Cambodia was devastated by the Khmer Rouge. One quarter of Cambodia's population was wiped out during this period. This put a major dent in the labor supply. Many of the people who died during this period came from a targeted group. Anyone who was suspected of being an intellectual such as a person who spoke a foreign language, someone who wore glasses, or someone who displayed any signs of wealth or modern technology was executed. Cambodia lost many of its doctors, engineers, teachers, religious figures, politicians, and businessmen. The only intellectuals who survived the genocide were the ones who faked their identities and former past, and the ones who were able to flee to other countries before the fall of the country.

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<sup>&</sup>lt;sup>12</sup> Hill, Hal, and Jayant Menon. "Trade Policy Challenges In a Smal, Open, Fragile, Postconflict Economy: Cambodia." *ADB Working Paper Series On Regional Economic Integration*, October 2014

<sup>&</sup>lt;sup>13</sup> *Khmer Rouge Page*. n.d. http://www.cambodia.org/khmer\_rouge/ . Khmer Rouge Page (accessed April 5, 2015).

In 1991, the Paris Peace Accords was signed and peace was institutionalized.

Even after the signing of the Paris Peace Accords, war remained in Cambodia, and the Khmer Rouge attacks inside the country continued until 1997.<sup>14</sup>

### Contemporary Cambodia

Despite Cambodia's tragic history with genocide and civil war, it has made remarkable strides in development. According to the World Bank, Cambodia had 7.2% growth in 2014, and it is forecasted to have 7.5% growth in 2015. The average growth rate of Cambodia is 7.7 percent, and it is the 6<sup>th</sup> fasting growing economy in the world. In 2013, Cambodia's GDP stood \$15.24 billion.

#### The Association of Southeast Asian Nations

The Association of Southeast Asian Nations (ASEAN) was founded on August 8, 1967. The member countries of ASEAN include: Cambodia, Thailand, Laos, Vietnam, Brunei, Indonesia, Malaysia, Singapore, Philippines, and Myanmar. Cambodia joined ASEAN in 1999, as the 10<sup>th</sup> member state. 16

#### The ASEAN Declaration serves to:

- 1. Accelerate economic growth, social progress, and cultural development.
- 2. Promote regional peace and stability.

<sup>14</sup> *Global Security*. n.d. http://www.globalsecurity.org/military/world/war/cambodia3-6.htm (accessed April 13, 2015).

<sup>&</sup>lt;sup>15</sup> Bou, Saroeun . "Cambodia - World Bank Expects Slower Growth in Developing East Asia Pacific in 2014." *World Bank.* October 06, 2014. http://www.worldbank.org/en/news/press-release/2014/10/06/cambodia-world-bank-expects-slower-growth-in-developing-east-asia-pacific-in-2014 (accessed April 15, 2015).

<sup>&</sup>lt;sup>16</sup> State Department. n.d. http://www.state.gov/p/eap/regional/asean/ (accessed April 4, 2015)

- 3. Promote collaboration and mutual assistance on economics, social, cultural, technical, scientific and administrative fields.
- 4. Provide assistance to each other through training and research facilities in education, professional, technical and administrative spheres.
- Collaborate more effectively for greater utilization of agricultural and industries, the
  expansion of trade, trade studies, and improvement of transportation and
  communications facilities.
- 6. Promote Southeast Asian Studies.
- 7. Maintain close and beneficial cooperation with existing international and regional organizations.<sup>17</sup>

#### The Three ASEAN Communities

- The first community is ASEAN Political-Security Community. The aim of this
  community is to ensure that countries in the region are at peace with one another and
  live in fair, democratic, and harmonious environment.<sup>18</sup>
- 2. The second community is the **ASEAN-Socio-Cultural Community**. The aim of this community is to form a common identity that fosters the well-being of its people.<sup>19</sup>
- 3. The third community is **ASEAN Economic Community**. This community will transform ASEAN into a region with free movement of goods, services, investments, skilled labour, and freer flow of capital.<sup>20</sup>

<sup>&</sup>lt;sup>17</sup> Association of Southeast Asian Nations . n.d. http://www.asean.org/asean/about-asean/overview (accessed April 17, 2015).

<sup>&</sup>lt;sup>18</sup> ASEAN Political - Security Community. n.d. http://www.asean.org/communities/asean-political-security-community (accessed April 17, 2015).

<sup>&</sup>lt;sup>19</sup> ASEAN Socio - Cultural. n.d. http://www.asean.org/communities/asean-socio-cultural-community (accessed April 17, 2015).

# **ASEAN Economic Community (AEC)**

The AEC is set to come into full effect by the end of 2015. It is estimated that ASEAN has a population of 615 million people. The total workforce for ASEAN is composed of 315,699,343 people.<sup>21</sup> After the economic integration, ASEAN will be the 7<sup>th</sup> largest economy in the world, with a total GDP of 2.5 trillion dollars.<sup>22</sup>

#### **Industries in Cambodia**

Since the genocide between the years 1975-1979, Cambodia's economy was based solely on agriculture. Based on a report from the International Labor Organization in 2012, the major economic sectors in Cambodia include agriculture, industry, and services. The agriculture sector is still the largest sector which makes up 51% of the working population between the ages of 15-64. The industrial sector makes up 18.6% of the working population and includes: manufacturing, mining, electricity, water supply, and construction. The services sector makes up 30.4% of the work force and includes sub-industries such as: retail, transportation, accommodation, food, financial services, real estate, education, entertainment, etc.<sup>23</sup>

# **History of Policy Related to the Skills Gap**

<sup>&</sup>lt;sup>20</sup> ASEAN Economic Community. n.d. http://www.asean.org/communities/asean-economic-community (accessed April 01, 2015).

<sup>&</sup>lt;sup>21</sup> D'Amico, Sandra. "Annual Salary Survey." Phnom Penh, 2015

<sup>&</sup>lt;sup>22</sup> Fernquest, John. "Asean Economic Community 2015: ready or not, here is comes." *Bangkok Post.* January 06, 2015. http://www.bangkokpost.com/learning/work/454697/asean-economic-community-2015-ready-or-not-here-it-comes (accessed April 17, 2015).

<sup>&</sup>lt;sup>23</sup> Cambodia Labour Force and Child Labour Survey 2012: Labour Force Report / International Labour Organization, ILO International Programme on the Elimination of Child Labour (IPEC), National Institute of Statistics (NIS). Phonm Penh: ILO, 2013.

## **Educational System in Cambodia**

According to the Cambodian Development Resource Institute, the skills gap in Cambodia is sum of two educational gaps: a schooling gap and a learning gap. The enrollment rates at schools are low, yet there are high dropout rates. For the students that go to school, there is not learning enough despite completing their education. Also, students are not learning skills needed by companies in the current job market.

The shortage of trained teachers is another issue for Cambodia's educational system. The current student-teacher ratio is 46.2, and it is the highest out of the 10 ASEAN member states. This problem becomes a cycle because it's the poor students who become the next teacher and so on and so forth. <sup>24</sup>

### **Corruption in Cambodia:**

Corruption remains one of the biggest challenges to Cambodia's development.

According to Transparency International in 2014, Cambodia ranked as the 156<sup>th</sup> most corrupt country, out of 175 countries. Its ranking in the corruption index was 160<sup>th</sup> in 2013.<sup>25</sup> Transparency International uses a Corruption Perception Index (CPI), which is based on experts and business people. The data comes from reputable institutions as well. Cambodia, along with Myanmar is both tied as the most corrupt countries in the Association of Southeast Asian Nations.

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<sup>&</sup>lt;sup>24</sup> MADHUR, Srinivasa. *Cambodia's Skill Gap: An Anatomy of Issues and Policy Options*. Phnom Penh: CDRI, 2014.

<sup>&</sup>lt;sup>25</sup> Cambodia performs better than last year in 2014 Corruption Perceptions Index but more work needs to be done. December 3, 2014. http://ticambodia.org/index.php/news/pressrelease/press-release-corruption-perceptions-index (accessed April 1, 2015).

Corruption has a major impact on education. The low compensation for teachers also contributes to the wide spread corruption that takes place in Cambodia's educational system. It is common for teacher's to collect a fee from students in order for them to obtain course material, a syllabus, exam materials, or in order to avoid failing their class. Even for students to get accepted into law school, an amount of \$2000 to \$3000 has to be paid. This becomes a major issue for the poor folks who cannot pay off their teachers. At the same time, the wealthier families are able to take advantage of the system and provide bribes to teachers or school officials in order for their children to receive favorable grades, admission, and recommendations.<sup>26</sup>

# Anti-corruption law in Cambodia

The Law on Anti-Corruption was approved by the National Assembly on March 11, 2010. The purpose of the Anti-Corruption law is the improve good governance, rule of law in leadership and state governance, as well maintain the integrity and justice for social development and poverty reduction. The aim of this law is to combat corruption and it is applied across all sectors in Cambodia, including the education sector. The Anti-Corruption Unit was established to enforce this law. It also serves to develop policies to fight corruption and provide reports to the Prime Minister regarding operations. <sup>27</sup>

Despite the implementation of the Anti-Corruption Law, bribery and cheating remains rampant. Transparency International recently conducted a survey regarding

<sup>&</sup>lt;sup>26</sup> Diana, Saw. "Challenges crippling Cambodian education." *Phnom Penh Post*. October 14, 2009. http://www.phnompenhpost.com/special-reports/challenges-crippling-cambodian-education (accessed April 26, 2015).

<sup>&</sup>lt;sup>27</sup> Council for the Development of Cambodia. Anti-Corruption Law. n.d. http://www.cambodiainvestment.gov.kh/anti-corruption-law 100417.html. (accessed April 26, 2015).

bribery and they found that half of the participants paid a bribe to pass their exam. The government is taking actions to reduce corruption in schools though. Teacher salaries are being raised to reduce bribery. Also, in 2014, the Ministry of Education partnered with the Anti-Corruption Unit in order to strictly curve cheating for the National High School Exam <sup>28</sup>

### **Background**

#### **Part 1: Statement of Purpose**

As the ASEAN Economic Integration comes into effect by the end of 2015, Cambodia will no longer be a country standing on its own. It will be part of a larger economic block known as the ASEAN Economic Community. As a member of this community, Cambodia will be forced to re-evaluate where it stands amongst the ASEAN member states, and where it wants to be. The free movement of skilled labor throughout ASEAN is an important policy to consider at this time. What this means for Cambodia is that somebody from Malaysia, or Singapore with a specified skill can come to Cambodia and compete for these positions with the locals. Cambodia will need to define its role, and how it will help its people grow and maintain competitiveness amongst its neighbors, yet at the same time, offer value to its regional partners. Skilled labor will be of utmost importance for companies to maintain and develop their businesses. Skilled labor in middle to senior level management will need to increase in order to spearhead the future growth of private companies in Cambodia.

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<sup>&</sup>lt;sup>28</sup> Mech, Dara, and Peter Zsombor. "Young Cambodians Embracing Graft: Survey." *The Cambodian Daily*. March 19, 2015. https://www.cambodiadaily.com/news/young-cambodians-embracing-graft-survey-says-80078/ (accessed April 26, 2015).

## **Population and Employment Statistics**

Cambodia's population in 2014 was at 14.8 million. After the genocide, Cambodia experienced a "baby boom" in the 1980s.<sup>29</sup> Currently, one third of the population is between the age of 15-29. Cambodia has the youngest workforce in all of ASEAN. The participation of the population in Cambodia's workforce is 68.8% or roughly 8.8 million people. This percentage is for people between the age of 15 and 64.<sup>30</sup>

# The Society of Human Resource Management & Productivity

The Society of Human Resource Management & Productivity (SHRMP) is a private company that provides technical training to garment factories and is looking to provide soft skills training to the public, private, and non-profit sectors.

SHRMP started out in 2005 as a non-government organization known as the Garment Industry Productivity Centre (GIPC). It was funded by USAID, who saw the needs for an intervention in one of Cambodia's most critical industries that accounts for 18% of Cambodia's GDP.

In 2007, GIPC was transformed into The Cambodian Skills Development Centre (CASDEC). It was directed by Ms. Mona Tep, and the organization invested in developing trained technicians and consultants to increase the productivity of factories workers in the garment industry. As an NGO with full funding, the challenge began when

25, 2015).

30 Cambodia Labour Force and Child Labour Survey 2012: Labour Force Report / International Labour Organization, ILO International Programme on the Elimination of Child Labour (IPEC), National Institute

of Statistics (NIS). Phonm Penh: ILO, 2013.

<sup>&</sup>lt;sup>29</sup> "40th ASEAN CONFEDERATION OF EMPLOYERS (ACE) BOARD OF DIRECTORS' MEETINGS." April 11, 2015. http://www.aseanemployers.org/acemeeting2015/camfeba\_paper\_2015.pdf (accessed May 25, 2015).

searching for a solution to create a sustainable organization, especially when funding would eventually end.

In March 2010, the board of CASDEC decided to change from a non-profit non-government organization model, to a private entity, with another added service. In addition to providing technical training for the garment industry, human resource training was added to their services. In 2011, HR INC (Cambodia) a well-known provider in Human Resource services in Cambodia opened the doors for CASDEC to continue their operations, and SHRMP became fully registered as a private organization.<sup>31</sup>

In February 2015, Mr. Jimmy Srun, joined SHRMP as their Human Resource Management Training Manager. He is responsible training development, providing public trainings, and customized trainings in the soft skills. His target will be to provide training to supervisory and managerial level employees.

#### **Review the current policy**

The skills gap in Cambodia is a well-known issue to the government of Cambodia as well as the private sector. The root of the skills gap began with the poor educational system. The country has made reforms in education field. Vocational trainings is also stepping up. Private companies are increasing training for their employees. Private training companies offering services to businesses to train their workforce have also begun to increase.

In 2012 and 2013, over 80% of students passed the high school national exam. This number changed drastically in 2014, when 70% of the students failed. In 2014, the

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 $<sup>^{31}</sup>$  Society of Human Resource Management & Productivity . n.d. http://www.shrmp.com.kh/about-us/our-history/ (accessed April 4, 2015)

Ministry of Education implemented stricter measures to prevent cheating and bribing teachings and test proctors. These measures will help to provide credibility for the educational system in Cambodia, and ensure that when students graduate from high school- their level of competence can be trusted. Despite the dismay of many students who failed the national exam, this is the necessary first step in ensuring the viability of Cambodia's future workforce. If students continue to cheat and bribe their teachers, when it comes time to tackle a problem, use critical thinking, and complete a task- they will not be prepared. Based on the drastic shift from 80% of students passing the national exam in 2012-2013, and 2014 having 70% fail, it is apparent that the educational reform is well in place. <sup>32</sup>

Vocational education in Cambodia has a negative stigma and it is often associated with low wage and status. Not many Cambodians are attracted to Vocational Training. Employers in Cambodia state that there is a relative shortage of graduates from vocational training schools compared to university graduates.<sup>33</sup> At the same time, there is a big shortage of graduates that have the right skills. In order for vocational training to increase, the perception that people have about it needs to change. Also the quality of training needs to increase as well.

Private companies are picking up a lot of the slack and they are training their own staff. In a survey completed by HRInc in 2014, over 78% of companies with more than

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<sup>&</sup>lt;sup>32</sup> Fredrickson, Terry. "Over 70% fail Cambodian national exam." *Bangkok Post.* August 30, 2014. http://www.bangkokpost.com/learning/easy/429538/over-70-fail-cambodian-national-exam (accessed June 26, 2015)

<sup>&</sup>lt;sup>33</sup> Him, Laov. "Skill Workers, Driver for Future Cambodia's Economic Growth." *Himawari hotel*. Phnom Penh, 2013.

200 staff, had internal training departments. The need for training is imperative as soon by this number.<sup>34</sup>

Currently in Cambodia there are a handful of private training providers. The Cambodian Federation of Employers and Business Associations (CAMFEBA) is the most notable training agency in Cambodia. In addition to CAMFEBA, there several other agencies that provide training include: HEDC, Oxcel, CMA, FiNet, The Capacity Specialist, V Build, and A Plus.<sup>35</sup>

#### Statement on necessity for change

Many stakeholders are involved in addressing the skills gap in Cambodia. The necessity for change comes at a critical time when the country is looking to grow and expand its economy. With an economy that's predominately unskilled, low wages will not take Cambodia to a middle-income economy. In addition to this, when the ASEAN Economic Integration takes place, the country will have to face competition from skilled management migrating from neighboring countries.

# **Part 2: Principle Players**

There are many key players that are involved in addressing the skills gap in Cambodia. Building a skilled workforce is the collective responsibility of the government, education al institutions, development agencies, private sector, and training providers.

The Ministry of Labor and Vocational Training provides policy on the labor laws policy, and strategic planning. It is also providing vocational training and works through the National Training Board to provide long-term development of technical vocational

35 Ibid., page 22

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<sup>&</sup>lt;sup>34</sup> Low, Adrian. "Study of Organisational Training Priorities, and Training Providers in Cambodia." MBA Final Project, Australian Institute of Business, 2014, n.d. page 15.

education and training. <sup>36</sup>The National Training Board works in partnership with the private sector in order to ensure that there is communication between the vocational training institutions and private sector. The National Training Board also focuses on expanding accessibility to developing skills. The National Training Board will also serve to promote technical vocational training and education to ensure that people can access the trainings to improve their livelihoods. <sup>37</sup>

The Ministry of Education, Youth, and Sport, is another stakeholder which plays a major role in developing high quality human resources in Cambodia. Its role is to lead, manage, and development education. In addition, it is also tasked to do the same for the Youth and Sports sector of the country.<sup>38</sup> There are three main education policies in place:

- 1) Ensuring equitable access for all to education services.
- 2) Enhancing the quality and relevance of learning.
- 3) Ensuring effective leadership and management staff at all levels.

The Ministry of Commerce plays an indirect role with addressing the skills gaps in Cambodia. It is definitely a stakeholder in this issue because it is in charge with regulating and promoting commerce and trade for the country. The Ministry of Commerce works to attract new businesses, and maintain current business in Cambodia.<sup>39</sup>

The Cambodian Federation of Employers and Business Associations (CAMFEBA) serves as the unified voice of the private sector. As of February 9, 2015, CAMFEBA

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<sup>&</sup>lt;sup>36</sup> Prakas. n.d. http://www.mlvt.gov.kh/page/news/prakas-16 (accessed June 28, 2015).

<sup>&</sup>lt;sup>37</sup> National Training Board. n.d. http://www.ntb.gov.kh/ntb/profile.htm (accessed June 28, 2015).

<sup>&</sup>lt;sup>38</sup> About Ministry of Education, Youth and Sport. n.d. http://www.moeys.gov.kh/en/about-us.html#.VZ7KcvlVikp (accessed June 28, 2015).

<sup>&</sup>lt;sup>39</sup> Ministry of Commerce . n.d. http://www.moc.gov.kh/ (accessed June 28, 2015).

represents over 2,000 employers, 11 business associations, 24 individual companies, and 27 non-profit organizations. CAMFEBA also represents Cambodia at the International Labor Conference in Geneva, and it is a member of the ASEAN Confederation of Employers, and International Organization of Employers. CAMFEBA provides services in: HR and Labor Consultation, Information Dissemination, Training and Development, Networking, HR Compliance, and Lobbying/ Advocacy. The private sector has a strong interest in the skills gap issue because it hinders their growth.

The Cambodian Development Resource Institute (CDRI) is Cambodia's premier think-tank. It is in charge of independent research and developing Cambodia's capacity. Through the generation of high quality policy research and knowledge dissemination, this information can be used by policy makers in order to make better and informed decisions. CDRI does research on many areas such as: agriculture, economics, education, environment, governance, and health. Recently, CDRI came out with a publication on *Cambodia Education 2015: Employment and Empowerment*. This publication helped to provide valuable information to stakeholders on topics such as the current skills gap, policy options for higher education, and vocational training.

The Association of Southeast Asian Nations is another party that is a key stakeholder in the skills gap dilemma in Cambodia. During the AEC, skilled labor will be allowed to move from one country to another.

Lastly, private training companies have a vested interest in the skills gaps here in Cambodia. As a private entity, their mission is to provide training to different companies

<sup>41</sup> CDRI- Cambodian Development Resource Institute . n.d. www.cdri.org.kh (accessed April 4, 2015).

<sup>&</sup>lt;sup>40</sup> Welcome to CAMFEBA, n.d. http://www.camfeba.com (accessed April 24, 2015).

and charge a fee for this training. The Society of Human Resource Management & Productivity is among the private training companies with a vested interest in the skills gap.

### **Policy Proposal**

### **Policy Description**

The Society of Human Resource Management & Productivity seeks to address the private sector skills gap in middle to senior level management, by providing sermons through management training. The goal of their proposal is to train 100 new managers each month.

The Soft Skills training division of SHRM&P will train courses to businesses in topics such as: Leadership, Communications, Problem Solving, Supervisory Training, Motivation, Performance Management, Time Management, Negotiation, Human Resource Management etc.

# **Three Types of Training Offered**

Trainings will be offered in three formats. The first type of training is called the Middle-Management- Senior level Management training series. These trainings will be held as public offerings at SHRM&P headquarters. The courses mentioned above will be trained and will cost \$88 per day, including Value Added Tax (VAT), lunch, snacks, drinks, and course materials.

The second type of training is called the Negotiation Workshop Series. In the training, participants will learn negotiation tips and best practices, and do role plays

created by the SHRM&P team, and simulation roles plays created by the Program on Negotiation at Harvard Law School. This series will also be held in a public format and be charged at a rate of \$88.00 for a full 8 hour day.

The last type of training is customized trainings. These courses will not be held publicly, but they will be tailored towards the individual needs of the companies. The rate for this type of training is \$600.00 for a full day for 15-20 participants. If the company requires a training room, refreshments, and lunch, an additional \$30.00 will be added to each participant.

#### **Current Resources at SHRM&P**

There are 3 staff members focusing in the soft-skills training division. Mr. Jimmy Srun, is the HRM Training Manager. Mr. Bunthoeun Hang is the HRM/ Technical Trainer. Mr. Hang will help create and design training curriculum. He will also serve as a co-trainer and Khmer interpreter. Mr. Somethea Korn is the Training Executive. He will carry out administrative tasks, assist participants in registering the courses, marketing, and assisting the trainer.

### Goals of SHRM&P Soft Skills Training

The goal of SHRM&P soft skills trainings is to help build the capacity of middle-senior level management. In doing so, this will enable businesses to further develop their front line staff. It will also alleviate the pressure of companies to hire outside of the country for skilled management. The target is to train 100 managers each month.

## **Competency Based Training**

Managers will be trained using a competency based model to ensure understanding of the materials. The competency based training will also utilize trainings based on the Australian Quality Training Framework. <sup>42</sup>Participants will be tested for their competencies in various topics through the use of role plays, activities, and case scenario tests.

#### **Implementation**

In order to fully implement this soft skills training, further curriculum development is needed. The current approach is that as one course is developed per month. As additional courses are developed, they will be repeatedly trained. SHRM&P will work in partnership with HRInc, its sister company, in order to promote its trainings. HRInc has a database of over 3,000 companies which uses its human resource services. SHRM&P will leverage the renown of its sister company, HRInc, until it has become a well-recognized brand in the Training Industry.

# **Program Costs**

Currently SHRM&P shares office space with HRInc, its sister company. Their back end support which is composed of IT, and Accounting and Finance is shared through HRInc. The operating costs include rent, utilities, supplies, and staff salaries. Due to privacy and confidentiality policies at SHRM&P, this information could not be obtained.

<sup>&</sup>lt;sup>42</sup> Competency Based Training and Completion . n.d.

http://www.education.vic.gov.au/training/providers/rto/pages/competency.aspx (accessed July 1, 2015).

# **Policy Authorization Tool**

According to the World Bank Group, there are 11 steps necessary in order to fully register a company in the Kingdom of Cambodia. The Society of Human Resource Management & Productivity has already been registered as a private entity since 2011 with the Ministry of Commerce. It followed the 11 steps below in order to become fully registered.

- 1. Deposit the legally required initial capital in bank and obtain deposit proof.
- 2. Conduct initial check for uniqueness of the company name at the Intellectual Property Department.
- 3. Obtain company name approval at the Business Registration Office.
- 4. Publication of an abstract of the company organization documents such as bylaws, memorandum, articles of association) in a Gazette.
- 5. Incorporate the company with the Business Registration Department in Ministry of Commerce.
- 6. Make a company seal.
- 7. Have registration documents stamped and approved by Phnom Penh Tax Department.
- 8. Register the company for patent at the Tax office at the khan level.
- 9. Register the company for VAT at the General Tax Department.
- 10. Notify the Minister of Labor of the start of operations and hiring of employees.
- 11. Receive inspection from Labor inspector. <sup>43</sup>

<sup>&</sup>lt;sup>43</sup> World Bank Group. n.d. http://www.doingbusiness.org/data/exploreeconomies/cambodia/starting-a-business/ (accessed April 02, 2015)

# **Policy Implementation Tool**

Sermons on addressing the skills gap in middle to senior level management in companies in Cambodia will be addressed through:

- 1) **Mass e-mail promotions-** HRInc, a sister company of SHRM&P, will help to promote trainings through its database of companies.<sup>44</sup> This would be done at no additional cost other than staff salaries and normal operating expenses at SHRM&P. This mass e-mails will be sent once at the beginning of each month, for the duration of the program.
- 2) Social Media: The two popular forms of social media: Facebook <sup>45</sup>,

  LinkedIn<sup>46</sup> will be utilized by SHRM&P in order to target major companies and individuals on the skills gap issue in middle to senior level management.

  Statistics from surveys and research findings will be posted in addition to current trainings offered by SHRM&P. Articles will also be shared pertaining to the skills gap. This would be done at no additional cost other than staff salaries and normal operating expenses at SHRM&P. Social media will be updated on a weekly basis, for the duration of the program.
- 3) **Brochures and Flyers**: Would be delivered by current SHRM&P staff to local businesses based in Phnom Penh, Cambodia. The brochures and flyers would be created by Publicity Co. an advertising agency. <sup>47</sup> A budget of \$100.00 per month would be allocated to this. Brochures and flyers will be

<sup>&</sup>lt;sup>44</sup> HRInc. Cambodia. n.d. http://www.hrinc.com.kh/ (accessed April 18, 2015).

<sup>&</sup>lt;sup>45</sup> "Facebook." n.d. http://www.facebook.com/ (accessed July 8, 2015).

<sup>46 &</sup>quot;LinkedIn." n.d. http://www.linkedin.com/ (accessed July 8, 2015).

<sup>&</sup>lt;sup>47</sup> "Publicity." n.d. http://www.publicity-co.com/ (accessed July 8, 2015).

promoted to companies across Phnom Penh, Cambodia, on a weekly basis and 10 businesses will be targeted each week for the duration of this program.

**Policy Analysis: Pros** 

Effectiveness

The soft skills trainings provided by the Society of Human Resource Management & Productivity is effective in addressing the skills gap in middle to senior level management. So far, the soft skills division of SHRM&P has trained an average of 25 managers a month reaching 25% of its target of 100 participants.

The soft skills trainings from SHRM&P will be competency based training. This means that the participants will have to display the acquired skills through role plays, practice, or by addressing real life application of the information learned. This ensures that participants who attend the trainings will be able to carry out and implement the new skills acquired.<sup>48</sup>

**Efficiency** 

SHRM&P addresses its goals to train middle/ senior level management with efficiency as well. Deloitte Consulting LLP, considers investing in employee training as critical to a companies present and future success. 49 Private training is efficient and targeted. The traditional education pipeline in Cambodia takes 12 years of general

<sup>48</sup> Competency Based Training and Completion . n.d.

http://www.education.vic.gov.au/training/providers/rto/pages/competency.aspx (accessed July 1, 2015). <sup>49</sup> Quast, Lisa. Want Your Company to Succeed in the Future? Invest in Employee Skills Training Like Deloitte LLP. http://www.forbes.com/sites/lisaquast/2012/05/14/want-your-company-to-succeed-in-thefuture-invest-in-employee-skills-training-like-deloitte-llp/2/

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education.<sup>50</sup> It takes an average of 4 years to complete a bachelor's degree.<sup>51</sup> Whereas private training can be targeted based on the needs of the clients and can range from a few hours to a few days.<sup>52</sup>

#### **Administrative Capacity**

In terms of administrative capacity, The Society of Human Resource Management & Productivity is a part of the HR Inc group. This allows SHRM&P to leverage the office space, finance department, IT department, and basic services provided to staff such as cooking, transportation, and cleaning. During trainings, SHRM&P has meeting rooms available at the shared HR INC office, and this can be used as a venue to train staff. In addition to the shared resources, SHRM&P has the human resources necessary to carry out and administer the trainings. There are currently three full-time staff members devoted to designing, implementing, and promoting the trainings.

### **Technological Capacity**

SHRM&P has the technological capacity to carry out its mission. It is supported by an IT team known as IT Link. IT Link is a part of the HR Inc Group. In addition to having technical support, SHRM&P has equipment donated to them by USAID, through a former project that they worked on with each other. SHRM&P also has a paid

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<sup>&</sup>lt;sup>50</sup> Bookbridge. *The Education System in Cambodia*. March 19, 2012.

http://www.bookbridge.org/2012/03/the-education-system-in-cambodia/ (accessed June 29, 2015).

<sup>&</sup>lt;sup>51</sup> Pannasastra University of Cambodia. n.d. http://www.puc.edu.kh/ (accessed June 28, 2015).

<sup>&</sup>lt;sup>52</sup> "Training and Workshops." *CAMFEBA*. n.d. http://camfeba.com/en/services/training-and-development/training-and-workshop.html (accessed July 9, 2015).

subscription to the Harvard Manage Mentor Training software which can be used to develop its trainings and simulations.<sup>53</sup>

# **Policy Analysis: Cons**

#### **Effectiveness**

In terms of effectiveness, the proposal of the Society of Human Resource Management& Productivity to launch its soft skills training program does not fully address the skills gap in Cambodia. It is only catered towards middle to senior level management. It does not address the skills gap at the lower levels. Another issue is the quantity of workers trained. It will only be able to reach out to a small number of middle to senior level managers. When middle managers are trained and senior managers are left out from that company, sometimes senior managers do not encourage the middle managers to implement what they have learned. <sup>54</sup>There is no guarantee that class attendees will implement the knowledge learned through the trainings. They might be tested for their competency of the course material, but there is no mechanism set up to follow up with the managers.

#### Efficiency

In terms of efficiency, the soft skills training proposal by SHRM&P is currently operating at a monthly net loss. The program has been launched for 3 months and the training has not provided a net income. Should the operations continue at its current pace

<sup>53</sup> "Harvard Manage Mentor." *Harvard Business Publishing* . n.d. http://www.harvardbusiness.org/harvardmanagementor (accessed July 9, 2015).

<sup>&</sup>lt;sup>54</sup> Klaasen, David. Training is a waste of Time and Money. October 3, 2013. <u>http://www.hrzone.com/community-voice/blogs/davidklaasen/training-is-a-waste-of-time-and-money</u> (accessed June 28, 2015).

without the generation of any positive revenue, the program cannot sustain. The Board has given SHRM&P 18 months start bringing in profits.

The market is highly price sensitive. For customized trainings, only 50% of companies were willing to pay more than \$500.00 for one day training. The current proposal is at \$600.00 a day, therefore, half of the market for this customized training will not be able to afford the training.

The trainings are not time efficient. When companies need trainings, sometimes they need it then and there. This is a limitation because the current proposal will only offer training at a fixed time during a month. Or if the trainer is busy at a public and customized training, he is unable to address the training needs of another company.

The course material has not been fully developed for much training. This puts a constraint on the available courses that are able to be taught.

Due to the lack of money, timing, transportation, or other barriers to attending these trainings, more and more people have opted for M-learning. M-learning is a new and free way for learning skills online. People are using M-learning in Cambodia in order to learn a trade or skill that they do not currently have. <sup>55</sup>

The notion of equity is something that should be taken into account when looking

into this proposal. There is an apparent bias by companies to train their middle and senior

level management. This is evident by their budget allocations where a majority of their

#### **Equity**

<sup>&</sup>lt;sup>55</sup> Sothy, Khieng, Srinivasa Madhur, and Chhem Rethy. *Cambodia Education 2015: Employment and Empowerment*. Phnom Penh: Cambodian Development Resource Institute, 2015.

budget is allocated towards the middle to senior level management.<sup>56</sup> But how about budget allocations to their unskilled and front line workers? The current proposal does not take into account these lower levels. Also smaller companies do not have the budget to send their employees to these trainers. And for people who would like to join these trainings, self-paying for a course would be a major expense, considering the average salary in Cambodia is only \$191.00 a month after taxes.<sup>57</sup> An \$88.00 course would take away half of their monthly salary.

## **Administrative Capacity**

With only one management trainer, and two support staff, the administrative capacity of SHRM&P's soft skill division is limited. At maximum, only 4 public courses can be held with a total of 80 students per month based on current staffing capacity. As enrollment in courses increases and demand picks up, additional staff will be required. The additional staff required would include additional trainers with management experience, as well as administrative/ support staff. Due to the skills gap in Cambodia, such management level trainers are difficult to find.

An administrative limitation on the human resource side is that the management trainer has obligations with outside work, is could be required to travel abroad. This creates instability in the training agenda and can slow down momentum.

Another limitation is the availability of a room to conduct the trainings. For trainings with more than 15 students, an external venue must be rented and this cuts into

<sup>57</sup> Cost of Living in Cambodia. Prices in Cambodia. n.d. http://www.numbeo.com/cost-of-living/country\_result.jsp?country=Cambodia (accessed July 05, 2015).

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<sup>&</sup>lt;sup>56</sup> Low, Adrian. "Study of Organisational Training Priorities, and Training Providers in Cambodia." MBA Final Project, Australian Institute of Business, 2014, n.d

the margin of the profits. The current charge is \$30 per person when an external venue has to be rented. This includes snacks and lunch. When training takes place internally at the SHRM&P office, a fee of only \$10 is incurred from lunch and snacks per person.

Therefore, the lack of a training venue for larger classes will reduce the profits for the company.

### **Political Analysis**

The skills gap in Cambodia is a major issue that spans across all sectors of the country. There are many major stakeholders involved, including the Royal Government of Cambodia, namely the Ministry of Labor, Ministry of Education, Ministry of Commerce, the Cambodian Federation of Employers and Business Associations, the Cambodian Development Resource Institute, and private training companies.

## The Royal Government of Cambodia

In order to maintain Cambodia's goal of having a high per capita of \$12,000.00 per year, it must build up its work force and increase the skills of its people. There are three main ministries that are involved with this and they serve different roles.

In June 2015, there was a meeting facilitated by the Ministry of Economy and Finance in order to facilitate dialogue between the Ministry of Labor and Ministry of Education. These two ministries are the two main institutions tasked with improving human capital and providing vocational education.<sup>58</sup>

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<sup>&</sup>lt;sup>58</sup> Muyhong, Chan. "Ministries need to pull together on skills gap." *Phnom Penh Post.* June 18, 2015. http://www.phnompenhpost.com/business/ministries-need-pull-together-skills-gap (accessed June 28, 2015).

The Ministry of Education's undersecretary states that "the Cambodian labor market is characterized by a low number of skilled workers and a mismatch between industry's needs and the skills and the competency of the graduates."<sup>59</sup>

What was stressed at this meeting was that the government needed better collaboration with development partners and the private sector in order to coordinate their approach in addressing the skills gap. This is apparent when the undersecretary stated his case for the mismatch between what students study and what employers are actually seeking.

The Ministry of Education also complained of a low budget allocation of less than 2% of Cambodia's GDP. The number should be closer to 4-6%, according to the Secretary of State for the Ministry of Education, Nath Bunroeun. <sup>60</sup>

The Ministry of Commerce is also taking measures to address the skills gap in Cambodia. Senior Minister H.E. Sun Chanthol collaborated with the United Nations to launch the "Cambodia Trade Integrated Strategy 2014-2018. This strategy will provide technical assistance for reforms to improve trade competitiveness and provide better and new career opportunities that will lead to higher incomes and reduced poverty. One of the drawbacks of their strategy also acknowledges the weak mid- high level skills needed more sophisticated jobs and they realize that this will hold back growth. This Ministry of Commerce placed an emphasis on technical and vocational training so that companies

<sup>&</sup>lt;sup>59</sup> Robertson, Holly. "The Cambodia Daily." Gov't Looks to Private Sector to Train Workforce. September 13, 2014. https://www.cambodiadaily.com/business/govt-looks-to-private-sector-to-train-workforce-67963/ (accessed April 01, 2015)

<sup>60</sup> Ibid.

can hire local Cambodians instead of expensive foreign workers that raise operating costs for companies.<sup>61</sup>

#### The Cambodian Federation of Employers and Business Associations (CAMFEBA)

CAMFEBA is another major stakeholder of interest to address the skills gap in Cambodia. They represent the private industry and have their own training department. The Society of Human Resource Management & Productivity could be in direct competition with their training division due to similarities in training. The President of CAMFEBA also voiced the reiterating theme of collaboration between private sector and training institutions and stated that there "needs to be a permanent and qualitative conversation."

# **Private Sector Training**

The Ministry of Labor spokesman Heng Sour suggested that the private sector should pick up the slack in helping to develop the labor force. <sup>63</sup> The private sector has been picking up a lot of the slack through their internal training departments.

A survey was completed by HR INC in 2014. There were 300 surveys sent to training and human resource departments in Cambodia. Out of 300 companies, 53 companies participated in the survey. Based on the survey, 54% had internal training

<sup>62</sup> Cournoyer, Michel . "The Skills Gap in Cambodia – Over half of the firms feel that vocational education and training programs do not yet meet the needs." *Job Market Monitor*. March 12, 2014.
 http://jobmarketmonitor.com/2014/03/12/the-skills-gap-in-cambodia-over-half-of-the-firms-feel-that-vocational-education-and-training-programs-do-not-yet-meet-the-needs/ (accessed July 1, 2015).
 <sup>63</sup> Robertson, Holly. "The Cambodia Daily." *Gov't Looks to Private Sector to Train Workforce*. September 13, 2014. https://www.cambodiadaily.com/business/govt-looks-to-private-sector-to-train-workforce-67963/ (accessed April 01, 2015)

<sup>&</sup>lt;sup>61</sup> "Cambodia's trade strategy tackles skills gap to boost competitiveness." *UNDP*. February 19, 2014. http://www.kh.undp.org/content/cambodia/en/home/presscenter/articles/2014/02/19/cambodia-s-trade-strategy-tackles-skills-gap-to-boost-competitiveness-.html (accessed July 1, 2015).

departments. For companies with more than 200 staff members, over 78% had training departments. This means that 46% of companies did not have training divisions internally, and that 22% of companies with over 200 people, were also without training support.

In terms of budget allocations by businesses, 61% of organizations surveyed spent more than 50% of their training budget on external training. More than 70% of a company's training budget was allocated towards supervisors, and middle and senior management. <sup>64</sup>

ANZ Royal is one of the largest banks in Cambodia. Regarding the skills gap, it is not waiting for the government. According to David Sok Dara Marshall, head of corporate and institutional banking, the company spends millions of dollars training in employees in technical, soft, and critical thinking skills.<sup>65</sup>

## **Training Providers**

According to a recent survey in 2014, the Cambodian Federation of Employers and Business Associations was quoted as the most notable training organization for companies to send their employees for training. Aside from CAMFEBA, other private training companies included HEDC, Oxcel, CMA, FiNet, The Capacity Specialist, V Build, and A Plus.<sup>66</sup>

### **Public at Large**

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<sup>&</sup>lt;sup>64</sup> Low, Adrian. "Study of Organisational Training Priorities, and Training Providers in Cambodia." MBA Final Project, Australian Institute of Business, 2014, n.d.

<sup>&</sup>lt;sup>65</sup> Robertson, Holly. "The Cambodia Daily." *Gov't Looks to Private Sector to Train Workforce*. September 13, 2014. https://www.cambodiadaily.com/business/govt-looks-to-private-sector-to-train-workforce-67963/ (accessed April 01, 2015)

<sup>&</sup>lt;sup>66</sup> Low, Adrian. "Study of Organisational Training Priorities, and Training Providers in Cambodia." MBA Final Project, Australian Institute of Business, 2014, n.d.

The general public feels that the skills gap is the greatest challenge facing the Cambodian Economy. In a survey done by the International Labor Organization and the Cambodian Federation of Employers and Business Associations, over half of Cambodian businesses believe that vocational education and training programs do not meet the needs of their company. They survey also mentioned that the quality of training providers were good, but that there were not enough providers.<sup>67</sup>

#### Recommendation

The recommendation I would like to suggest is for a funding of \$8800.00 each month, to the Society of Human Resource Management & Productivity, in order to provide training to 100 new managers each month.

I believe that the Society of Human Resource Management and Productivity plays a major role in offering a timely solution to the skills gap for middle to senior level management. It is a long process to wait for educational reforms to kick in so that the new work force will possess the skills and talents needed currently. For a majority of companies with over 200 staff members there are already training departments, but for small and medium enterprises, they lack the funding to have these training departments. Government funding and grants are needed in order to provide access for businesses that cannot afford to send their managers to training. It is not the fault of businesses that the country lacks skilled labor, but they cannot wait around for the next generation of workers to come out with all the skills they need.

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<sup>67</sup> Cournoyer, Michel . "The Skills Gap in Cambodia – Over half of the firms feel that vocational education and training programs do not yet meet the needs." *Job Market Monitor*. March 12, 2014. http://jobmarketmonitor.com/2014/03/12/the-skills-gap-in-cambodia-over-half-of-the-firms-feel-that-vocational-education-and-training-programs-do-not-yet-meet-the-needs/ (accessed July 1, 2015).

SHRM&P is well situated in its administrative and technological capacity to implement the training. Although the numbers of managers who will be trained is low, relative to the actual numbers of untrained middle and senior level management, the government must utilize everything that it has in order to tackle the skills gap.

It is understood that the skill gap lies not just within middle to senior level management, but it spans across low skilled labor and technical fields as well. The importance of focusing funding on middle to senior level management is that they will be the leaders and pioneers to train lower level workers, the necessary skills to do their job and not vice versa.

The funding will be used in order to maintain continuity of operations for SHRM&P. It difficult to do a cost benefits analysis of training effectiveness, due to the lack of training data and ability to monitor. In many countries there is a positive correlation for the amount of money spent on training, and the correlations to profits and productivity. According to the American Society for Training and Development, investment in employee training enhances a company's financial performance. <sup>68</sup> This in turn will lead to higher wages and more consumers spending, so it has a strong multiplier effect.

The timing for funding private training providers is currently ripe. With the ASEAN Economic Community set to come into full effect by the end of 2015, Cambodia must be prepared for the potential influx of skilled labor from other ASEAN countries. In order to attract skilled labor, companies in Cambodia will have to increase wages which

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<sup>&</sup>lt;sup>68</sup> "Return on Investment for Customized Training." *Howard County Community College*. n.d. http://coned.howardcc.edu/business\_and\_workforce\_development/customized\_training/ROI\_for\_customize d training.html (accessed July 1, 2015).

will in turn cut into profits. Whereas if money can be invested into training local Cambodians the right skills to hold these managerial positions, then businesses can sustain a higher earning, and also provide better jobs for the people of Cambodia.

It is certain that collaboration between training providers, developmental partners, and the government must take place. The founder of SHRM&P, Sandra D'Amico is a pioneer in this field and helping to facilitate this process. By providing funding to SHRM&P to continue its management training program it will set the stage to improve the skills gap for middle to senior level managers in the private industry.

#### JIMMY SRUN

#### **EDUCATION**

Johns Hopkins University, Baltimore, MD

- Master of Arts: Public Management

2015

Emergency Management Institute, Emmitsburg, MD

- Certificate Intermediate Alternative Dispute Resolution Advising E-718 2014
- Certificate Basic Management for Supervisors L-563
- Certificate Human Resources for Supervisors
- Certificate Incident Command System: 100, 200, 700, 800

Program on Negotiation at Harvard Law School, Cambridge, MA

- Certificate Negotiation and Mediation

2009

University of Maryland, Baltimore County

- Bachelor of Arts: Psychology, Minor Sociology

2006

#### RELEVANT EXPERIENCE

Society of Human Resource Management & Productivity, Phnom Penh, Cambodia

#### Senior Soft Skills/ Human Resource Management Trainer

Current

 Managing and developing courses to be delivered to middle and senior level management including: Negotiation Workshop, Dealing with difficult conversations, and New Supervisor Training etc.

Federal Emergency Management Agency (DHS), Washington D.C.

#### **Alternative Dispute Resolution Advisor (GS-13 level)**

Current

 Providing alternative dispute resolution support to disaster relief missions through training, conducting organizational assessments, mediation, facilitation, coaching, advising, and consulting.

Johns Hopkins Medical Institute, Baltimore, MD

#### Khmer Medical Interpreter

2011-2015

- Providing medical interpreting for Khmer patients and mediating cross cultural misunderstandings.

Maryland State District/ Circuit Court/ CRCMC, Rockville, MD

#### **Court Approved Mediator**

2009 - 2015

 Mediating over 500 disputes pertaining to small claims, large claims, communities, workplace, families, child custody, schools, and businesses. Also writing contractual agreements which are submitted to the courts.

#### **MEMBERSHIPS**

Member, American Bar Association Dispute Resolution Section Member, Mediators Beyond Borders Founding Member, Cambodian Centre for Mediation