



EMPLOYERS CIRCULAR NO. 15/2008
ON-THE-JOB TRAINING SCHEME FOR SMALL AND MEDIUM ENTERPRISES

1. PURPOSE

- 1.1 The purpose of this circular is to inform Small and Medium Enterprises (SMEs) employers on the implementation of the in-house On-The-Job Training (OJT) Scheme for SMEs.

2. BACKGROUND

- 2.1 Research from around the world finds that SMEs, especially the small enterprises are characterized by very low levels of formal training. The lack of formal training in small enterprises does not mean that learning is absent. In reality, a great deal of learning takes place, but it is essentially informal in nature. Informal learning plays a crucial role in small enterprises, both in transmitting job-specific skills and also in maintaining the culture and ongoing viability of the organization. OJT is one of the primary means for acquiring skills in SMEs where a skilled worker or supervisor trained another unskilled or new worker(s) who works alongside the skilled worker or supervisor. Working skills acquired through this mean is the precursor for the trainee to continue in skills upgrading to attain higher accredited skills competency.
- 2.2 To facilitate SMEs to train their workers and minimize the disruption involved in sending a worker to external training, PSMB is implementing the In-house On-The-Job Training Scheme for SMEs.

3. STRUCTURE OF THE PROGRAMME

- 3.1 For the in-house OJT to be effective, SMEs employers are required to plan and structure the training. A structured programme outline should be prepared with the OJT details on title, objective / learning outcome, target group, duration, task/content/skills and knowledge to be covered and instructional/delivery method.
- 3.2 The in-house OJT should be delivered by company's own employee who is a skilled worker or the supervisor to the trainee. The OJT can be conducted in a series of sessions which should be at least 1 hour in duration per session.
- 3.3 At the end of the OJT, the trainee should achieve satisfactory level of skills competency to perform the job which the OJT covered. The trainer should conduct an assessment on the trainee to verify the achievement of this competency.

4. TERMS AND CONDITIONS FOR APPLICATIONS

- 4.1 The PSMB's Board of Directors at its meeting held on 23 September 2008 had decided that SMEs employers can receive financial assistance for in-house OJT for skills training required by SMEs' employees to perform their job effectively to achieve the necessary productivity and quality.

4.2 The terms and conditions are as follows: -

a) The scheme is applicable for SMEs employers registered with PSMB with the number of employees as tabulated: -

Sectors	Number of Employees
Manufacturing	150 employees or less
Services	50 employees or less

b) Under this scheme, OJT can be allowed with trainer to trainee ratio from 1:1 up to a maximum of 1:4 . For training involving 5 trainees and more, application for financial assistance should be under the SBL Scheme for internal trainer allowance.

c) Reimbursement of financial assistance will be based on RM5.00 per trainee per hour (RM/trainee/hour).

d) The minimum total duration of the OJT should be 7 hours and the maximum total duration should not be more than 300 hours. For training with more than 300 hours, employers need to arrange for external certifiable training under other schemes as the training under this scheme is conducted by in-house company own trainer and not external certifiable.

e) Employers do not need to apply for pre-approvals for training grant and can submit claim applications using Form [PSMB/OJT/T/1/08](#) to the Finance Division of PSMB with a supporting document on the OJT Attendance and Evaluation Log. All information fields in the claim form and supporting document need to be filled up with the correct information. Employers can submit claim applications immediately after the date of the last session of the OJT. PSMB reserved the right to reject claim applications that are incomplete.

f) The total amount of financial assistance eligible to be received by employers is still, however, subject to the balance in their levy accounts.

g) If SMEs employers have applied for financial assistance under other schemes or other Government programmes for the OJT, application for the same OJT under this scheme will not be allowed.

5. EFFECTIVE DATE

This circular will take effect from 1 December 2008.

Thank you.

"PEKERJA TERLATIH MENJANA KECEMERLANGAN "
"PEKERJA INNOVATIF NEGARA KOMPETITIF"

Yours Sincerely,

(TIEW HAI SAN)

Chief Executive
Pembangunan Sumber Manusia Berhad