



HUMAN RESOURCES DEVELOPMENT FUND (HRDF)

MINISTRY OF HUMAN RESOURCES

STRATEGIC INITIATIVES IMPLEMENTATION GUIDELINE

SME SKILLS SCHEME

1.0 PURPOSE

1.1 The purpose of this guideline is to inform HRDF registered and non-registered Small and Medium Enterprises (SMEs) Employers, appointed government training centres and trainees on the procedures and implementation mechanism of the SME Skills scheme.

2.0 OBJECTIVE

2.1 The objectives of SME Skills scheme are:

- i. To enable Malaysian Small Medium Enterprises (SMEs) employees' enhance their career development by increasing their skills;
- ii. To encourage SME employers to continuously and systematically train their employees to increase their level of competency;
- iii. To produce more skilled workers for the industries in order to remain competitive and sustainable in the global market; and,
- iv. To support SMEs in increasing their productivity and cost-effective of doing business.

3.0 TARGET GROUP

3.1 The target group for SME Skills is Malaysian Employees of HRDF registered and non-registered employers, who are looking to upgrade their employee's skills and knowledge through the courses provided by the appointed government related training centres.

4.0 TYPE AND APPROVAL PROCESS OF THE TRAINING COURSES

4.1 The courses offered under the SME Skills scheme are pre-approved courses from which HRDF registered employers and non-registered employers are allowed to choose according to their company's Human Capital needs.

- 4.2 Training programmes provided under SME Skills scheme are based on non-certification training courses (provided with course completion certificate) or certification programmes (involve assessment by end of the programme).
- 4.3 Based on the identified focused areas, Government Training Centres, Government Agencies and HRDF registered Associations with large number of members among the registered employers are allowed to submit their proposal for evaluation and consideration in order to be part of the SME Skills Scheme. (Please refer to the proposal format available in the HRDF Portal).
- 4.4 Training Fee of each course is subjected to submission of application by the centre, and final approval is based on HRDF evaluation based on the breakdown of the cost.
- 4.5 Employers can select the training courses from the list and submit their application to obtain financial assistance following the terms and conditions set by HRDF. The information on approved training courses can be viewed in HRDF portal at www.hrdf.com.my (Schemes– SME Skills). The list is comprehensive.
- 4.6 Only the appointed training providers under the scheme whom have signed the “Acceptance Letter” are allowed to conduct the training within the stipulated timeline given.

5.0 ELIGIBILITY AND ROLE OF EMPLOYER

- 5.1 SME employers should meet the official national SME definition and subject to any latest amendment & expansion of the PSMB Act 2001, as per the table below in order to define themselves under the following SME categories.

SECTOR	NUM. OF EMPLOYEES
Manufacturing	Less than 200 employees
Services and Other Sectors	Less than 75 employees

- 5.2 All HRDF registered and non-registered SME employers and their employees (trainees) are eligible to participate in the SME Skills scheme. However, each employee is only entitled to attend one approved course under the SME Skills scheme in order to provide opportunity for more employees to be trained.

- 5.3 Each HRDF registered and non-registered employer can only train a maximum number of 5 employees for approved courses to allow more companies to participate under the SME Skills scheme. Thus, employers are advised to select the most relevant and necessary courses that are available under this scheme for the company's development.
- 5.3 HRDF registered employers with arrears of levy and unpaid interests are **NOT** allowed to apply for SME Skills scheme.
- 5.4 Employers need to ensure all trainees have completed their course and obtained certification of completion (for non-certification) and certification for the certification-based courses
- 5.5 Trainees who have participated in this scheme (certification and non-certification) must complete their tasks, assignments, projects and exams as required and actively participate in all practical exercises, presentations as directed by the trainers.

6.1 **ROLE OF TRAINING PROVIDER**

- 6.1 Training Provider in this context referring to any HRDF registered government training centres, government agencies or associations whom have identified the critical skill areas in SME industry, to conduct a training to enhance the critical area and have submitted their proposal to conduct the training for SME employers for their employees (trainees).
- 6.2 The training provider will be the secretariat, implementer and facilitator for the SME Skills scheme.
- 6.3 The training provider should ensure the minimum number of 5 and maximum number of 25 trainees for each class.
- 6.4 Appointed training providers are advised to plan the training sessions accordingly to avoid the disruption of company's productivity. As such, classes are recommended to be conducted on weekdays and weekends.
- 6.5 Training courses need to be conducted at a convenient training venue and the training provider is required to provide necessary facilities/equipment during the training.

- 6.6 Training providers are responsible to record the actual attendance of trainees; declare that the entire claim and all accompanying information are true in the original Attendance Form.
- 6.7 Training providers need to ensure all qualified trainees obtain their certification upon completion of the training.

7.0 SUBMISSION OF TRAINING APPLICATION

- 7.1 Submission of training application should be made through appointed training providers. Employers must fill in *Borang Penyertaan Majikan dan Pelatih SME Skills* (PSMB/SMESKILLS/1/19) and submit to the training providers attached with latest company EPF Contribution Statement.
- 7.2 Training providers are required to key in the participating trainees and employers' information into HRDF's online system at least 1 week (7 working days) before the commencement date of training.
- 7.3 Submission of training application by training provider using the Trainee Application Form and submit the application online with the following supporting documents:
 - i. *Borang Maklumat Latihan Skim SME Skills* (PSMB/SMESKILLS/2/19)
 - ii. Session Plan (Training Schedule)
 - iii. Copy of *Borang Penyertaan Majikan dan Pelatih SME Skills* (PSMB/SMESKILLS/1/19) with latest company EPF Contribution Statement from every participating employer.
- 7.4 Training providers must ensure that all information keyed into the system accurately, particularly the trainees' details such as Name, MyID number and other requested details in the application form.
- 7.5 Training providers are required to keep a hardcopy of the application forms and supporting documents for HRDF inspection purposes. HRDF inspection officer has the rights to request for the original documents for inspection purposes.
- 7.6 The training schedule submitted to HRDF needs to take into account all public holidays and any additional holidays. The training schedule must be in line with total training days / hours approved by HRDF. Changes in the training

schedule must be notified to HRDF at least 3 days before the training commencements.

- 7.7 SME employee whom are HRDF registered and non-registered will be entitled for 100% course fee borne by HRDF, subjected to maximum RM 3,000 per trainee/ for the entire course. HRDF will not consider any request for additional financial assistance.
- 7.8 The application will be queried if the information submitted is incomplete. Training providers are required to respond to the queried applications 3 days before the commencement date of the training and HRDF requires 2 days to process the application received from employers. HRDF is not responsible to any queried or rejected application after the commencement date of training. HRDF also reserves its rights to reject an application(s) at any point of time if the information or queried application is not satisfactory. HRDF also reserves its rights to reclaim any payment made if it found any discrepancies or fraud suspected after disbursement of claim.
- 7.9 The minimum number of trainees for each class is 5 and the maximum number is 25.
- 7.10 Withdrawal or replacement must be informed to HRDF 3 days before the training commences. If the trainees withdraw after the training commences, replacement of trainees is not allowed.
- 7.12 Change of training date to a future date must be notified to HRDF 3 days before the training commences. If the change is made after training commences, the request may be rejected.
- 7.13 Approval of training grant application will be given within 48 working hours upon receiving a complete application from training provider. Once the training grant application has been approved, a notification email will be sent to training provider. Amount approved for course fee (incentive) will be detailed out in the notification email
- 7.14 Any cancelation of classes needs to be informed to HRDF at least 1 day prior to the training commencement date.
- 7.15 Employers are not required to pay upfront payment of course fee to training providers since the amount will be paid directly by HRDF to the training providers.

8.0 INSPECTION

- 8.1 HRDF will conduct a verification visit to the training venue to check on the compliance and attendance of trainees. During the visit by HRDF's officer, appointed training provider/trainees/trainer(s) must give their fullest cooperation including produce their identity card for inspection to the officer.
- 8.2 During verification, all related documents such as attendance form, approval letter from HRDF are to be provided to the officer for verification. HRDF Inspectorate Officer will be given the authority to do the necessary for inspection purposes including interviewing trainees and taking photographs or video of the classes' session.
- 8.3 **If the trainees are not present for class during the inspection by HRDF Inspectorate Officer, the attendance form of the trainee will be marked in as absent.** The attendance form that has been marked by inspectorate officer must be provided together with the claim form during the claim submission. Failure to provide the original attendance form and claim form will cause the claim to be queried.
- 8.4 Training Providers must ensure the staffs are capable to assist HRDF officer in-charge during any verification visit and always be available at the training venue.
- 8.5 Stern actions will be taken upon the appointed training providers who breach any terms or conditions stated here in and not limited to no payment will be made by HRDF

9.0 PROCEDURES FOR COURSE FEE CLAIM BY APPOINTED TRAINING PROVIDERS

- 9.1 Claims for Course Fee are to be submitted by the appointed training provider through online system within three (3) months upon completion of the courses. Payment will be made directly to the appointed training provider based on the amount that was approved during the grant approval.

- 9.2 The Course Fee claim must be submitted with the original Attendance Form PSMB/ SME Skills Scheme /3/19, summary of evaluation PSMB/SME Skills/4/19, invoice and a copy of certification upon completion of training.
- 9.3 Payment of course fee is subject to the number of trainees attending the training course. Payment will not be made if the trainees do not comply with the minimum requirement of attendance.
- 9.4 The 80% of attendance will be calculated based on the no. of days attended by the trainee during the training period.
- 9.5 Financial assistance for the course and examination fee is one off for each individual.
- 9.6 Appointed training providers must ensure the training is conducted as per training schedule and trainee's attendance must be recorded for each training days. Training providers are not allowed to submit scanned or photocopied attendance and evaluation forms.
- 9.7 If the trainees are not present for class during the inspection by HRDF Inspectorate Officer, the attendance form will be marked in as absent. The attendance form that has been marked by the inspectorate officer must be provided together with the claim form during the claim submission. Failure to provide the original attendance form and claim form will cause the claim to be queried/ rejected.
- 9.8 The course fee should include notes, manuals, reference books and professional examination fees (if any).
- 9.9 Payment of course fee will be made within 14 working days from the date HRDF receives complete claim form.
- 9.10 If there is any false or misleading declaration on the course fees by the appointed training providers, HRDF reserves the right to demand repayment either wholly or partially and/or take necessary enforcement action.
- 9.11 HRDF will not be held liable for any breach or failure by any party (training provider) that causes damages to either party.

10.0 Output Assessment:

- 10.1 The purpose of this Output Assessment is to **assess the immediate reaction onto obtain feedback** of trainees on the attended course.
- 10.2 The training provider/trainer must ensure that all approved trainees under this scheme receive and complete the **HRDF Output Assessment Form** on the final day of course. The completed forms with signature are to be collected and summarised using the **HRDF Output Summary Template** by the training provider/trainer.
- 10.3 The completed soft-copy of the Output Summary Template must be submitted to HRDF within 14 working days from the final date of course via <https://bit.ly/hrdfsubmission>. 10.4 The form and template are accessible via HRDF website: <https://bit.ly/hrdftee> under the Resources section.
- 10.5 Training Providers must keep the completed hard-copy of the Output Assessment Forms for a minimum of 5-year from the completion date of course for audit purposes by HRDF.

11.0 Outcome Assessment:

- 11.1 The purpose of Outcome Assessment is to assess the **actual understanding and the application** after the training.
- 11.2 Issued to trainees at least six (6) months (max 5 years) after the course ended, it measures whether trainees have successfully achieved the desired objectives of this scheme through identified leading indicators / learning objectives.
- 11.3 HRDF will send the assessment link via email/dedicated platform to all participating trainees. Trainees are strongly encouraged to complete the Outcome assessment within the stipulated time.
- 11.4 Training provider/trainer must ensure that trainees' particulars and contact details, especially email addresses from the course registration are valid.

12.0 LEGAL ACTION

12.1 Employers and appointed training providers are strictly advised to adhere to the terms and conditions stipulated in this guideline. **Legal action will be taken if any of the parties fail to comply with these requirements.**

13.0 AMENDMENTS

13.1 HRDF may change or amend these terms and conditions from time to time. Appointed Training Providers and trainees will be notified on any changes made to strengthen the implementation of SME Skills Scheme.