

## PNG'S NEXT GENERATION OF SKILLS

PNG's blue-chip companies are placing increased importance on human resources.

'The demand for some services could triple or quadruple over the next twelve months,' warns Scott Roberts, Managing Principal of Australian recruitment firm Cadden Crowe, which has an established presence in PNG.

As the PNG LNG project looms large, the country is facing an unprecedented skills shortage. The project will act as a magnet for some of the country's best and brightest, while its impact will create a ripple of additional demand throughout the formal economy.

### PREPARING FOR DEMAND

Unsurprisingly, larger firms are making contingency plans, with several that Business Advantage spoke to talking of increasing their head-count by at least 10% in the 2010 calendar year alone.

At the same time, they are also taking measures to hang on to their existing employees.

'The LNG project has made progressive firms nervous about staff retention,' says Robert de Loryn, Director of RdL Management Consultants, which provides 'soft skills' (eg leadership) training services and strategic direction to several of PNG's largest firms. 'They recognise that training and the right retention strategy are key motivators for employees, not just remuneration.'

### STAFF DEVELOPMENT 'STRATEGIC'

A two percent Government training levy and the stipulation that any company employing expats commit to a 'training and localisation plan' have long since been in place in PNG, but employee development has evidently become a much greater priority of late.

According to Ian Mulville, Human Capital and Training Manager at major heavy equipment distributor and service provider UMW Niugini Ltd, once senior managers start to regard human resources departments as strategic rather than merely 'transactional', staff development is far more likely to be tailored to an individual employee's requirements.

At UMW, staff training is specifically linked to the company's Performance Management Programme.

'An individual "Training Needs Analysis" is carried out for each employee to ensure the best possible training outcome,' explains Mulville, a Fellow of the United Kingdom's peak human resources professional body, the Chartered Institute of Personnel and Development. UMW recently celebrated becoming the first

PNG-based firm to obtain the highly-regarded Australian 'HRF 101:2010' HR standard.

### NEW TRAINING FACILITIES

PNG-based training service providers are themselves responding to changing client attitudes by investing in new facilities, as well as broadening their range of courses. Two of PNG's largest corporate training companies, Daltron and Datec, have both recently opened impressive new facilities.

'Training is a rapidly growing part of our business,' explains Kumar Baliah, Acting General Manager of Daltron. 'We recently opened a state-of-the-art new training facility in Waigani (in Port Moresby) and are seeking to expand the range of courses we offer by teaming up with partners offshore to offer new distance learning solutions in IT and other areas.'

Meanwhile, a new 150 million kina trade training facility is to provide training in those occupations likely to be required by the PNG LNG project. The facility, which will eventually become part of the Port Moresby Technical College, will conform to the Australian Qualifications Framework so that qualifications will be recognised both within PNG and overseas. Training will be delivered by SkillsTech Australia. Finally, PNG's top hotel, Airways, plans to open an international hotel school in 2011 to cater both to its own staff and the wider community.

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TECHNOLOGY COMPANY DALTRON'S TRAINING CENTRE IN WAIGANI

## SOME KEY HUMAN RESOURCES CONSIDERATIONS IN PNG

### 1. Skills

Skills shortages are widespread in PNG, and likely to get worse in the short to medium term. As one expat manager told us, 'if you have a trade in PNG, you are basically guaranteed a job.' Larger firms are often obliged to source expats from overseas for specialised or highly-skilled roles.

### 2. Visas

It can currently take at least six weeks to obtain both the work permit and visa required for new expat employees.

### 3. Accommodation

This is becoming a real headache for companies operating in Port Moresby and Lae. According to Cadden Crowe's Scott Roberts, 'Company-provided, funded or partially-

funded accommodation is expected for non-citizens that are recruited externally to work in PNG and it's a real cost to doing business in PNG.' Stories abound of astronomical rents being paid by expats, and the situation is unlikely to improve soon. It is not only expats who are affected. Salaried Papua New Guineans also struggle to find affordable housing in the two main cities and this inevitably has consequences for their employers.

### Further information

Consult the 'Living and working in PNG' chapter of *The PNG Investors' Manual*, published by the Port Moresby Chamber of Commerce and Industry ([www.pomcci.org.pg](http://www.pomcci.org.pg)).