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The Management of Human Resources in Malaysia: Locally-owned Companies and Multinational Companies

This paper is concerned with people management practices in companies in Malaysia. It examines the development of the main practice areas of the management of human resources (HR), the HR management (HRM) function and to what extent locally-owned companies (LOC) are influenced by multinational companies (MNC) operating in Malaysia. We found LOCs do not place a high priority on their HR practices and do not benchmark against the HR practices of MNCs. Overall, Malaysian people management generally would be better characterized as still more like ‘personnel’, than ‘HR’, management. Any acceptance and development of the HRM concept by Malaysian companies has been slow and cautious. This situation may prove problematic for future competitiveness and upgrading in the context of low wage cost competition from other countries.

Key words: Human Resource Management, Local Companies, Multinational Companies, Malaysia, Transfer

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