Understanding HRDC Training: How It Works and What It Means for Employers

For many Malaysian employers, the term "HRDC training" appears regularly in conversations about staff development and corporate funding. The Human Resource Development Corporation, or HRD Corp, administers a levy-grant system that helps companies offset the cost of training their workforce. If your organisation registers with HRD Corp and contributes the required levy, you can claim a portion of your training expenses back. The process, however, involves several steps that are worth understanding before you plan your next programme.

This article explains what HRDC training is, how the application and claim process works, and what you need to consider to make the system work for your organisation. It is written for a general business audience, so no prior knowledge of the system is assumed.

What Is HRDC Training?

HRDC training refers to any training programme that an employer registers with HRD Corp under the Pembangunan Sumber Manusia Berhad (PSMB) Act. The corporation manages a fund built from employer levies, which is then used to reimburse companies for approved training costs. The system is designed to encourage continuous upskilling and reskilling of the Malaysian workforce.

Employers who are registered with HRD Corp and who pay the human resource development levy can apply for grants to cover part of the cost of training their employees. The training can be conducted internally by the company's own trainers, or externally by registered training providers. In both cases, the programme must be approved by HRD Corp before the training begins, and a claim can only be submitted after the training is completed and reported.

Who Needs to Register and Contribute?

Not every employer is required to register with HRD Corp. The levy applies to companies with a certain number of employees, typically those with ten or more workers, although the exact threshold can change. Employers in sectors covered by the PSMB Act must register and pay the levy, which is calculated as a percentage of the monthly wages of each employee. This contribution goes into the HRD Corp fund and forms the basis for future grant claims.

Once registered, the employer can access the HRD Corp portal to apply for training grants, submit claims, and manage their training records. It is important to keep your registration details up to date, as lapses can delay or prevent claims from being processed.

The Application Process: Step by Step

The process for getting HRDC training approved and funded can be broken down into a few clear stages. While each case can have its own nuances, the general flow is consistent.

1. Plan Your Training Programme

Before you submit anything, you need to decide what training your employees require. This could be technical skills, soft skills, leadership development, or compliance training. The programme must be relevant to the employee's role and the company's needs. You should also decide whether the training will be conducted in-house or by an external provider. If you use an external provider, that provider must be registered with HRD Corp and have their courses approved.

2. Submit a Grant Application

Log into the HRD Corp portal and complete the grant application form for the training programme you have planned. You will need to provide details such as the course title, duration, cost, trainer credentials, and the list of participants. The system will check whether your company has sufficient levy contributions to support the grant amount you are requesting. If you do, the application moves to the approval stage.

3. Receive Approval and Conduct Training

Once HRD Corp approves the grant, you can proceed to run the training. Make sure you keep accurate attendance records, training materials, and any assessment results. These documents will be needed when you submit the claim later. It is also wise to confirm that the training runs exactly as described in the application, because any significant deviation can cause the claim to be rejected.

4. Submit a Claim After Training

After the training is completed, you have a set period (usually within a few months) to submit a claim through the portal. The claim must include a training outcome report, which summarises what was learned and how it will be applied. You also need to upload supporting documents such as attendance sheets, invoices, and payment receipts. The system will process the claim, and if everything is in order, the grant amount will be reimbursed to your company's bank account.

What Can You Claim For?

Not all training costs are eligible. Generally, HRD Corp allows claims for direct training costs such as trainer fees, course materials, venue rental, and certification fees. Some indirect costs,

like travel and accommodation for participants, may also be covered in certain circumstances, but it is best to check the latest guidelines on the HRD Corp portal.

There are also limits on how much you can claim per employee per year. The exact amount depends on the employee's category and the type of training. For example, technical and vocational training often has a higher claim limit than general soft skills training. It is worth planning your training calendar to maximise the use of your levy contributions across the year.

Common Pitfalls and How to Avoid Them

Many employers run into trouble with HRDC training claims because of a few recurring mistakes. Knowing these can save you time and frustration.

- **Late submissions:** Grant applications and claims have strict deadlines. Missing a deadline can mean losing the grant entirely. Set reminders well in advance.
- **Incomplete documentation:** Claims are often rejected because the supporting documents are missing or unclear. Double-check that every required document is uploaded and legible.
- **Training not aligned with approved application:** If you change the trainer, the duration, or the content without updating the application, the claim may be disallowed. Keep the training as close to the approved plan as possible.
- **Incorrect levy status:** If your company has not paid the levy for a particular month, the system may block new grant applications. Make sure your contributions are up to date.

How Organisations Like ATCEN Fit In

For employers looking for structured training programmes that are already approved by HRD Corp, working with an experienced training provider can simplify the process. Organisations such as ATCEN offer a range of corporate training courses that are designed to meet HRD Corp guidelines. They handle much of the paperwork related to course approval and grant applications, so you can focus on the training itself. Their programmes cover areas like leadership development, customer experience, contact centre skills, and AI certification, which align with the kinds of training that HRD Corp typically supports.

When you choose a provider that is familiar with the system, you reduce the risk of administrative errors. They can advise on which courses are most likely to be approved, help you prepare the grant application, and ensure that the training outcome report meets the required standards. This does not mean you can skip your own responsibilities - you still need to register with HRD Corp and pay the levy - but it does make the process smoother.

What the System Means for Your Business

Understanding how HRDC training works can change how you view staff development. Instead of seeing training as a cost, you can treat it as an investment that is partially funded by a system you already contribute to. The levy you pay is not lost; it becomes a pool of funds you can draw from to upskill your team. This is especially valuable for small and medium enterprises that may have limited training budgets.

The system also encourages a structured approach to training. Because you must plan ahead, apply for grants, and report outcomes, you are more likely to align training with your business goals. This can lead to better results, as training becomes intentional rather than reactive.

On the other hand, the administrative burden can be real. Keeping up with deadlines, managing documentation, and ensuring compliance with HRD Corp rules takes time. Some companies choose to outsource this work to consultants or training providers, while others assign a dedicated staff member to handle the process. The right approach depends on your company's size and how much training you plan to do.

Looking Ahead

HRD Corp periodically updates its policies, claim limits, and approved course lists. It is wise to check the official portal regularly or subscribe to updates. The system is designed to evolve with the needs of the workforce, so staying informed helps you take full advantage of what is available.

For employers who are new to the system, the first step is to register and start contributing. Once you are in the system, you can begin planning your first training programme. Even if the process seems complicated at first, it becomes routine after you have gone through it a few times. The key is to start small, learn the requirements, and build from there.

ATCEN can assist with course selection and application support, but the ultimate responsibility for registration and levy payment rests with your company. By understanding the full process, you can make HRDC training a practical and valuable part of your talent development strategy.