



# Papua New Guinea Human Resource Institute

## PNG Country report

Updated September 2016



PNG Ladies from the Highlands, Adorned with  
Feathers and Shells in a Traditional "Singsing" Dance Celebration.

**APFHRM Country Report:**

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**Updated September 2016**

This report is from the Papua New Guinea Human Resources Institute.

## 1. National HR Issue

- **Economic Outlook Very Challenging**

This year PNG celebrated its 41<sup>st</sup> anniversary as an independent nation. The country has got its independence from Australia in 1975.

Papua New Guinea's economy has been greatly affected by the low price of crude oil and minerals. PNG's petroleum and mining related income has dropped with the low commodity price for export, many up coming world class mines and gas and oil projects have generally cut costs and generally scaled down their operations.

However the giant French Company, Total is leading the development of the next world class gas project with the Construction phase commencing in 2018. Project which should come into operation in four to fives years. This will be a transformational change to the country's economy.

The National Parliament has recently passed a supplementary budget and introduced a tighter fiscal management policy to control expenditure and budget blow outs.

Despite all the challenges, recovery has been slow but noticeable. A good notice from for all sectors. A major boost was the reopening of the world class Ok Tedi Copper and Gold mine.

- **HIV AIDS a Major threat to PNG**

HIV AIDS control continuous to be success story in PNG. Reports out now have confirmed the significant decline in new cases or HIV AIDS in the country. With the recent introduction of compulsory free education policy and free basic health services in the country, the country is poised to see dramatic improvement in the quality of life in the country.

- **Major international events in PNG**

PNG successfully hosted the APEC Leaders meeting last month. The country was graced with the presence of Many African, Caribbean and Pacific leaders. The government has spent many millions of Kina (PNG currency) in the development of world class transport and sporting infrastructures. The country will be hosting the next FIFA women's world cup later this year. FIFA just completed the infrastructure audit and have given the country a thumbs up. This will be the country's most significant international meeting.

- **High Level of School Drop Out due to Fewer Tertiary Institutions**

With the introduction of free and universal education policy under the government's educational reform introduced in recent years, the country still has a very high school drop out rate. There are not enough tertiary institutions in the country to cater for the significant increase in school leavers. There are more school leavers compared to number of jobs being created thus posing high risk of social instability.

- **Corruption generally contained in many sectors**

Corruption has become an industry in itself, through various governance and anticorruption initiatives of government, the level of corruption in government can be said to be greatly declined and citizens are beginning to see a higher level of government service delivery through out the country.

- **The political Leadership.**

The government has been very stable since the last election 4 years ago. Next year is the election year and election would be hot as usual in PNG. PNG has been privileged to have a group of highly educated and competent cabinet ministers in cabinet in the history of the country and further more representing all aspects of government and public policy. It is said that the brain power of the current cabinet is relatively significantly highly than the executives of the current civil service. It is evident evermore that the political leadership is very outspoken compared to the civil service. More laws have been passed in the last fours years compared to the earlier 10 years. The leadership is decisive and hardworking.

## **2. PNG Human Resource Institute update**

The Papua New Guinea Human Resource Institute was incorporated formally in 1999 after being informally established as a society since the early 1970's. The institute is independent of government and its operation is supervised by independent professional members of the council. PNGHRI is comparatively very small compared to all our other colleagues in the region. We have a long way to go and look forward to learning from the experiences from our neighbours.

- **HR Masters Degree Program**

The University of Papua New Guinea through PNGHRI has introduce the first ever Masters Degree in Human Resources Program in the country since independence in 1975. Last April the first batch of Masters Students have graduated, a very proud moment for us all in the country.

- **Professional HR Degree Program**

The University of Papua New Guinea through PNGHRI has introduce the Bachelor Degree in Human Resources Program a third batch have graduated also in April this year, another significant achievement. About 60 graduates so far with their Bachelor's Degree in HRM. There are a batch of 50 currently enrolling in Bachelors Degree in HRM and are currently attending classes. This program is aim only for HRM professionals in the work place and the students are attending classes after hours.

- **HR Undergraduate Degree Program**

The University of Papua New Guinea through the support of PNGHRI has introduce the first ever degree program in the country since 1992. Over 300 HR Degree students have graduated so far. The HR Course is proving to be very

popular. The demand is so high that the GPA cut off mark to undertake the HRM degree program is now 3.0 and over while the entry GPA requirement is 2.5.

- **Graduate Internship Program**

PNGHRI now has a partnership arrangement with the country's largest university to run the professional degree program, including coaching and mentoring activities for a three month period under full pay. This program is sponsored by Air Energi and include professional breaching courses and work experience – internship.

- **Membership**

Membership continuous to grow. More than 1,000 professional members registered. More than 100 corporate members are now active members and supporters. The country has about 5000 HR practitioners. PNGHRI has a turnover of about K2 million per annum (US\$1. mill). Strong support from the business community is growing. HR as a profession is gaining momentum in the country. There is significant growth in the number of members across all sectors of the country and the Pacific .

- **Continuing Professional Development Programs**

PNGHRI has now got eight professional development programs running. Interest is high and seeing good return to the institute. PNGHRI has strategic alliances with other third parties to provide training and other services to its members. Professional development programs include the following;

- HRM level 1. Certificate
- HRM Level 2. Advance Certificate
- HRM Level 3. Very Advance/Diploma Level
- PNG HRM Laws Certificate
- PNG HRM Laws Advance Certificate
- Supervisory and Management Development
- Train the Trainer
- OHS

- **Monthly Professional Development Seminars**

The recently introduced monthly seminars on topical subjects and core HR competency areas have proven successful. These are short between 4 to 8 hour sessions. Outreach activities out of the capital has commenced with some programs running out of Lae, our industrial capital and second biggest city in the country.

- **Student Chapter**

PNGHRI has four active student chapters in the country now associated with the four major universities in the country. With over 200 student membership, the future development of the HR professionals in the country is now guaranteed. The national body provides annual prize awards and financial grants for student chapter activities from time to time.

- **2016 Annual National HR Conferences.**

PNGHRI has successfully hosted its 2016 Annual Conference in May and recorded a slightly reduced attendance unlike the 2015 annual conference. We had over 30 speakers over a period of three days. This is the pinnacle of all our annual programmes this year.

The conference highlights the following each year:

- a. Best Employer Awards
- b. Best HRM Professional Awards
- c. Fellowship Awards to Senior Members of the HR Fraternity
- d. Graduation of HRM Graduate Internship Program
- e. Introduction of Graduates of the Masters and Bachelors Degree Programs
- f. A successful AGM and election of new office bearers

- **Governance.**

PNGHRI for the past 11 years have its books audited without qualifications. The books are audited by independent and certified professionals against the IFS standards. PNGHRI is proud to be one of the few professional bodies in the country that has its books audited by independent professional accounting firms annually.

### **3. Greatest HR Challenge in Papua New Guinea**

- HIV AIDS and TB continuous to be a major threat.
- Lack of skilled professionals for the major mining and petroleum projects
- Law and order issues in some parts of the country
- High percentage of school push-outs after secondary level education as tertiary and vocational institutions are limited
- Growing problem of drug abuse and alcohol abuse and related social disturbances
- Ever increasing prices of goods and services
- Human smuggling issues continue to increase in PNG
- Government cash flow tight after increasing debt