Rethink foreign worker policies now, govt told as massive job losses loom

By Minderjeet Kaur  -  April 24, 2020 8:20 AM

PETALING JAYA: Employers hope the government would decide quickly on policies for hiring foreign workers, as companies are expected to slash jobs after the movement control order (MCO) is lifted.

The Malaysian Employers Federation (MEF) said it could not be business as usual anymore with agents bringing in foreign workers to work here while companies retrenched Malaysians.

MEF said the issue of job cuts had been raised several times with the authorities in the hope that alternative measures could be put in place.

"The government has to decide on this as unemployment is going to be high," MEF executive director Shamsuddin Bardan told FMT.

"Are we going to continue hiring foreign workers in sectors other than plantation and construction?"

Shamsuddin had said about two million Malaysians or 13% of the workforce could become jobless due to the impact of Covid-19 on the economy.

He said there were many foreign workers employed at car workshops, wiring and air conditioning repair companies, restaurants, 24 hour convenience stores and other places.

Malaysians, he said, could be trained for these jobs.
Shamsuddin said the government must also decide on the small shops run by foreigners in the city centre and on ways of slowly replacing thousands of foreign security guards with locals.

"The government needs to come up with policies that will attract Malaysians to these jobs."

"In sectors Malaysians say they do not want to work because it is 'dirty', then let’s make it less dirty with automation," he said.

For example, he said, a dish washer machine could replace two to three foreign workers, and requires only one Malaysian to manage it.

"On road sweeping, employers can buy an automatic road sweeper which can sweep more and it should be run by a local," he said.

But he said for automation to take place, the government needed to offer soft loans to companies.

Shamsuddin said the human resources ministry needed to discuss with stakeholders on ways to rebrand jobs with certification, as in New Zealand.

He also asked the ministry to review the measures taken during the 1997/98 financial crisis where 800,000 foreign workers were sent back.

"Due to that only 40,000 Malaysians were retrenched," he said.

On April 22, the Federation of Malaysian Manufacturers (FMM) found in a survey that 74% of respondents felt the MCO wage subsidy was inadequate to retain employees for the next three to six months without pay cuts and retrenchments.

It said 78.7% of companies would have to lay off or retrench up to 30% of their workers.

Other cost-cutting measures could include freezing headcount, instituting unpaid leave, removal of some non-contractual allowances and benefits, forced annual leave, reduction of work hours, and reduction in some benefits agreed in the collective agreement for unionised staff.