

Employers not keen on Penjana's incentive programme

By **Minderjeet Kaur** - July 3, 2020 7:00 AM



The Malaysian Employers Federation has questioned the conditions imposed on employers taking up the government's incentive programme.

PETALING JAYA: Companies struggling to stay afloat may not be in a position to take up a recent government scheme to subsidise allowances for fresh graduates hired to undergo apprenticeship as these would be considered full-time workers from the get-go.

Adding that the companies' own survival was now at stake, the Malaysian Employers Federation (MEF) said they might not be able to continue employing interns as full-time staff once their apprenticeship is over.

"When the internship period is over, the employee may say he or she is wrongfully terminated and may take up a case against us as they are considered as full-time staff," MEF executive director Shamsuddin Bardan told FMT. "Companies do not want to face this."

Under the National Economic Recovery Plan (Penjana) announced by Prime Minister Muhyiddin Yassin last month, the government will pay between RM600 and RM1,000 a month for each worker or apprentice hired by companies for up to six months.

The move is seen as Putrajaya's response to predictions of a bad job market following the impact of the Covid-19 pandemic, which saw businesses forced to close under the movement control order.

According to official figures, almost 800,000 people had lost their jobs as of April.

Shamsuddin said employers who take up the Penjana incentive would still need to contribute to the Employees Provident Fund (EPF) and Social Security Organisation (Socso).

He said companies would normally offer jobs to fresh graduates if they were found to be qualified at the end of their apprenticeship.

"But if the company feels the person is not up to mark, the employers should be able to release them with the skills learned, as it would be easier for them to find a job," he added.

Shamsuddin said the conditions imposed on employers taking up the incentive programme were unfair and urged the government to immediately review the scheme which began on July 1.

"If they are to be considered as full-fledged staff, then companies may not want to take part in the programme to train interns as they are not sure if their business will survive," he said.

He said companies could still play a part in retraining graduates without having to hire them.