

Malaysian Employers Federation not happy

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Published: Fri, 28 Oct 2011



The Employment (Amendment) Bill was passed in Parliament on Oct 6 after it was withdrawn last July to further refine the proposed amendments.

Amendments include provisions on sexual harassment; maternity leave benefits for female employees; work on rest days and public holidays; and overtime payment.

However, the amendments have drawn some flak not only from trade unions for eroding workers' rights, but also from local employers for various reasons.

"The amendments to the Employment Act recently passed in Parliament put additional burdens on the employers," says Shamsuddin Bardan.

The Malaysian Employers Federation (MEF) executive director says local employers now have heavier financial burdens and more responsibilities to fulfil.

He says the financial aspect of the Act has been extended to cover employees earning RM2,000 and below from the previous level of RM1,500 and below.

This is a 33% increase in coverage, and more employees will come within the ambit of the Act.

"This means more employees will be eligible to claim overtime, work on rest day pay, and work on public holiday pay. This will amount to additional cost to employers," he says.

Amendments to the Act also extended the coverage of maternity leave to all female employees irrespective of wages.

However, the MEF maintains their stand that maternity leave should not be applicable to employees outside the scope of the Act – those earning above RM2,000.

Shamsuddin says his would be akin to "rojak" as the Act originally sought to protect a certain class of employees, but will now be extended to cover all female employees.

"This particular move by the Ministry of Human Resources (MOHR) was made despite objections by the MEF. This really adds to the bureaucracy on employment," he says.

The MEF also points out uncertainties in the amendments on sexual harassment at the workplace.

MEF says the definition of sexual harassment at the workplace fails to address instances where an employee sexually harasses a client of the company.

"This shortcoming needs to be addressed on an urgent basis," Shamsuddin says.

Another burden placed on employers are requirements to report on the employment of foreign workers.

He says the MOHR could easily liaise with the Ministry of Home Affairs to get the necessary data on foreign workers employed by local employers.

"This is really a waste of time to require employers to report employment of foreign workers when the data is already available within the government machinery," he says.

On the amendments concerning labour contractors, Shamsuddin says legislative changes will not alter the longstanding issue.

"MEF is of the view that contracting out certain operations of companies has taken place since the early years and amendments would not change the scenario," he says.

He adds that MEF will be disseminating the amendments to employers to explain their obligations to them.

They will also be pursuing MOHR to modernise the Act, especially where it comes to self regulation of employers.

"Currently, there are many provisions in the Act requiring employers to apply for approval from the Director-General of Labour," he says, adding that there is no need for such applications to be made.

"Employers should just abide with the conditions set by the MOHR to operate without interruptions."