AIMLESS AFTER BEING RETRACED

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KUALA LUMPUR: In 2016, almost 40,000 Malay Muslim employees were retrenched from their jobs, according to data reported to the Labour Department.

As of June this year, 17,798 workers have been retrenched.

These numbers, however, are just the tip of the iceberg.

It is believed that the actual number of Malaysians who lost their jobs during this period is significantly higher, as many small and medium enterprises (SMEs) and micro-enterprises are not aware of the requirement to report lay-offs and retrenchments to the Labour Department.

The data recorded by the department is based mainly on the number of dismissed workers who have sought help from the department in relation to disputes with their former employers, usually to get compensation or unpaid salaries.

One of these thousands of affected workers is 50-year-old Goh Chee Song, who worked at a cable manufacturing factory in Shah Alam before he was retrenched, along with over 100 other workers as part of a redundancy exercise.

The company had been riddled with issues and its management changed several times during Goh's 29-year stint.

Even after the workers began getting their salaries late from September last year.

"We would receive our salaries about one or two months late, and this went on until February this year," he said.

"We are not well-off and getting our salaries late was already difficult but after February, we did not get our salaries at all for three months," said Goh, who is the sole breadwinner of his family.

He also took care of his 66-year-old mother at their home in Kapar.

In May, the company informed the staff that they should be retrenched as new management would be taking over.

"They promised us that our three-month salary would be paid to us by November this year," said Goh, "but there was nothing written about it. We signed the letters and left.

"Fortunately, we were jobless. We had no other source of income coming in every month, no money to put food on the table or pay our bills," he said.

"He added that he had no one to turn to for help or who would at least extend temporary financial relief and help him find a new job.

"Luckily, as Goh is above 50, he was able to withdraw a portion of his Employee Provident Fund savings in order to make ends meet.

"While the money is a great help for now, Goh worries about how long his EPF savings will last and knows that he needs to secure a new job as soon as possible.

"Whenever I attend interviews or call a company regarding a job opening, one of the first questions they ask me is 'How old are you?'

"They think twice about hiring a person of my age. Many of the other staff who lost their jobs are in their 50s as well - 'I am still fit, skilled and able to contribute productively,' he lamented.

Most employers added, would prefer to hire foreign workers, especially for jobs in factories, as they are perceived to be more affordable and easily available.

"I am very worried about my future and how I will continue to care for my family.

"My mother is also very worried about me and keeps checking on me when I will return to work," said Goh.

"He also worries that the stress will affect his elderly mother's health.

Goh, along with his former colleagues, had sought the help of the Malaysian Union Workers Union under the umbrella of the Malaysian Trade Union Congress (MTUC), which facilitated dialogue sessions with the former employers to ensure that their salaries and compensation would be paid as promised.

But in terms of immediate financial assistance, there is not much help that Goh can get.

He also worries that his former employer may not pay his outstanding wages as promised.

There are many others out there like Goh, who are stuck in similar or worse situations after being retrenched.

While many companies that retrench their workers do pay out compensation, it often takes months or even years for the funds to be disbursed.

Employment insurance schemes vary from country to country, but many have a system in place that provides temporary financial relief to those who have been retrenched (see graph).

Countries with employment insurance schemes


MTUC URGES GOVT NOT TO DELAY EIS

KUALA LUMPUR: To date, there is no comprehensive financial assistance or social safety net for Malaysians who lose their jobs in the private sector, said the Malaysian Trade Union Congress (MTUC).

While those who earn under RM2,000 are protected under the Employment Act 1955, those earning above RM2,000 a month prior to their retrenchment are not, said MTUC Selangor and Federal Territory divisional chairman Wan Noorulzahir Mohd Haniffah.

"When a company winds up or declares bankrupt, its top priority under the law is to pay off its borrowing to its debtors, while paying its workers' salaries and compensation is the last priority.

"It's laid-off workers suddenly find themselves with no monthly income, no compensation and nowhere to seek help.

"Most of them have families depending on their income, how to pay back bank and there's no loan," Wan Noorulzahir said.

Last year, in the local steel industry alone, he said, hundreds of workers lost their jobs as factories and companies were shut down due to a critical oversupply situation that sent steel prices plummeting.

"The MTUC and the Social Security Organisation (Sosco) have been fighting for many years to introduce an insurance scheme that will provide a safety net for private sector workers who find themselves in such a situation.

"In the last parliament sitting on Aug 1, the progress of the Employment Insurance System (EIS) bill hit another stumbling block as it faced stiff opposition from employer groups.

"Even after another round of stakeholder engagement on Aug 16, Wan Noorulzahir said, it seemed that the industry was trying to find excuses to delay the implementa-

Wan Noorulzahir: Malaysian employers need to change their attitude.

tion of EIS.

He said this only makes matters worse for employees who were already retrenched and those who may face similar situations in the near future.

After further discussion, it was agreed that the quantum of contribution for EIS would be 0.2% of the workers' monthly salary, or as equal an equal 0.2% contribution from employers or as low as RM1.90 for those who earn RM1,000 a month - the lowest rate among other employment insurance schemes in the world.

Wan Noorulzahir stressed Malaysian employers needed to change their attitude and have more responsibility towards compensate their workers.

"We need a minimal monthly contribution of only 0.2%, which can ensure the well-being of their workers, should not be a huge burden to companies.

"We want the EIS Bill to be implemented as soon as possible to ensure that workers in the private sector have immediate access to financial assistance if they are suddenly retrenched from their jobs," he said.

The EIS scheme provides protection for all kinds of loss of employment, including retrenchment, force major (an unforeseen circumstance that makes it impossible for work to be completed), those made redundant due to business restructurings or closure and those undergoing a voluntary (VOS) or mutual separation scheme (MOSS).

Employers who have lost their jobs will be able to claim a portion of their insured salary for between three and six months until they secure employment.

The Bill, if implemented, will protect some 6.6 million local private sector workers, providing them with financial assistance for six months, during which Sosco will also assist employers to re-employ their workers through job matching and training, while monitoring each of their efforts to get them back on track.

MTUC National Youth Chairman Mohd Samsam Abdul Hadi said there was an urgent need to implement the Bill, especially with the growing impact of Industrial Revolution 4.0 and digitalisation of the economy, whereby more workers are expected to be displaced.

"He stressed that the assistance provided by Sosco under employment services would also provide relief through personalised job assis-

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tation and all workers who were contributors to the economy.

Short-term assistance for those left vulnerable

The Employment Insurance System (EIS) Bill is going back to Parliament this month.

This is after discussions with stakeholders reached a consensus that the contribution rates will be reduced from the initial 0.5% of monthly wages each from employers and employees.

During the discussions, employers tried to revolve their earlier stance that the EIS benefits shall only be paid to employees who are not paid employment termination and lay-off benefits (ELB) by way of employer's failure to pay.

Some even suggested that those entitled to retrenchment and lay-off benefits under a collective agreement (CA) terms of employment should not get EIS.

Others have said this move would be unfair and prejudicial to employers who are generous enough to provide additional benefits.

It is also unfair to their employees, who also have to contribute to EIS but will not be able to claim it.

The main objective of EIS is to provide minimum protection when we return to retrenched workers for up to six months, while they may be most vulnerable.

Loss of employment is loss of livelihood. It leaves retrenched workers in the dark about the exact way to pay their bills.