

## Malaysian businesses still in hiring freeze

Employers are taking a wait-and-see approach when it comes to hiring, says the Malaysian Employers Federation (MEF).

By: Charles Chau (<https://hrmasia.com/author/charles-chau/>) | March 11, 2021



As such, MEF's executive director Datuk Shamsuddin Bardan urged the government to consider extending the wage subsidy programme (WSP) not only to retain existing employees, but also to create higher value-added jobs as a short-term solution. "It is important for the government to continue with the WSP to assist and encourage private-sector employers to hire and create more employment," said Shamsuddin.

He added that in a challenging time when employers are not so sure of their sustainability, such incentives should still be given even if a job offered is for shorter terms. This is because employers are no longer able to offer longer-term or permanent employment in the future due to the uncertain economic conditions.

Shamsuddin said MEF will work hand-in-hand with government agencies to target the creation of at least 200,000 new jobs this year. He also said "there is a need to rebrand some of the jobs available

to attract locals to take up the available jobs.”

Concurring with Shamsuddin on the issue of subsidies, MIDF Research economist Abdul Mui'zz Morhalim said companies, especially SMEs, will need more support to retain employment and increase hiring.

Some sectors like tourism, travel and tour, and hotels and accommodation, are still struggling due to pandemic-related mobility restrictions, he said. The extension of the wage and employment subsidy scheme will therefore help support the job market. But the potential spike and tightening of restrictions could once again affect the domestic economy and the job market outlook, he added.

The tighter restrictions from the targeted Conditional Movement Control Order (CMCO) have resulted in weaker labour market conditions and consequently, the unemployment rate remained high at 4.8% in December last year, said Abdul Mui'zz.

Data from the Department of Statistics showed that 782,500 persons were unemployed in January, an increase of 9,700 compared to the month prior, according to The Malaysian Reserve.